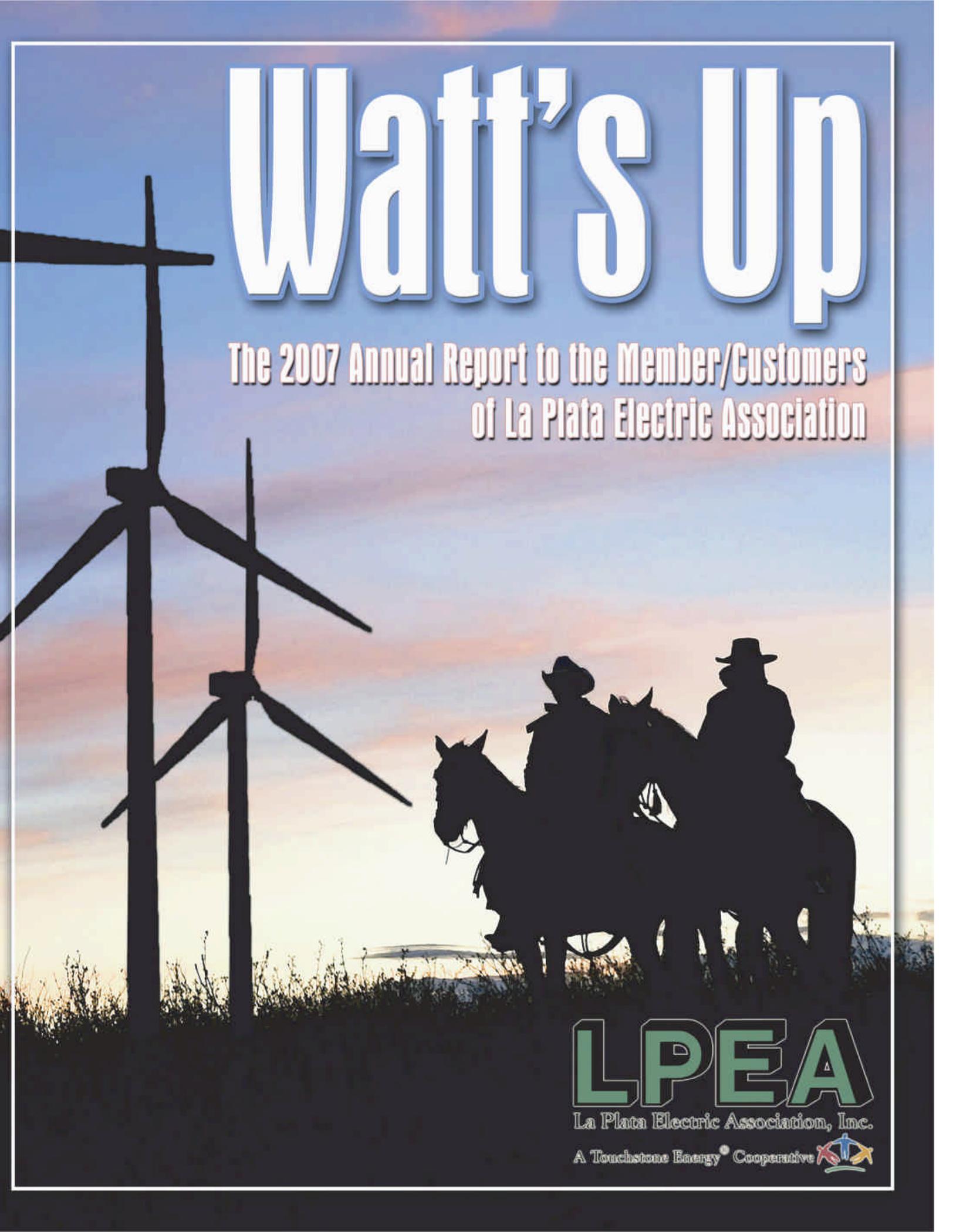


# Watt's Up

The 2007 Annual Report to the Member/Customers  
of La Plata Electric Association



**LPEA**

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

# Table of Contents



## Outside the Bulb

Greg Munro, CEO

So, “watt’s up” at your electric cooperative? As you can see, we’ve produced a new publication to serve as our annual report to you, our member/customers. We hope you find it “enlightening” and “energizing,” because at La Plata Electric Association, we do want you to be informed and involved.

The winter of 2007 (and ultimately 2008) did prove challenging to your electric cooperative as Mother Nature did her part to challenge electricity distribution, as you’ll read on page 4. Though we all realize on some level how reliant we are on electricity, when we’re plunged into literal darkness and cold, the truth of our needs definitely hits home.

Overall, however, the year 2007 continued a positive trend for your electrical cooperative, both financially and operationally. We accomplished our many goals, including needed infrastructure construction, further enhancement of our conservation/energy efficiency and renewable program, refined a 10-year construction work plan, and reviewed our many business processes to make them more effective and efficient. We met all of our financial requirements, and were able to return some of your capital credits to you.

Population and industrial/commercial growth continued in our area, presenting new challenges – how do we at La Plata Electric, meet the growing demand for that wonderful, magical, thing called electricity? Not too many years ago, our mission and goals were how to increase our sales of electricity. To do so would keep us financially strong, and keep your rates low. Now, our mission and goals are focused on how to be more efficient and use the electricity generated more effectively, and develop more renewable energy. But these likely won’t be enough to keep the lights on in the near future. We will need to build new base load power plants, whether that is thru cleaner coal technology, or nuclear, or gas, or hydro, but it will need to be done.

And the challenges continue. There is mounting pressure on LPEA, on Congress, on state officials and on you to do something about climate change. Whatever the outcome, it will have a direct impact on us all. We need to do this correctly, or we will have high energy costs and shortage of power, but make no difference in our environment. We must all work together and address these important issues with logic and performance-based results. We are confident that we at LPEA will do our share to successfully meet these challenges and do the very best for the membership as a whole, but we need your help and the help of your legislators, and other partners.

In 2008, we will continue our efforts to “think outside the bulb” when it comes to serving our member/customers. Please do keep informed by visiting [www.lpea.coop](http://www.lpea.coop), and don’t hesitate to let us know how we’re doing as your electrical cooperative, La Plata Electric Association.

# Watt's Up

The 2007 Annual Report to Member/Customers of La Plata Electric Association, Inc.



### Power by Design.....2

LPEA serving member/customers for nearly 70 years  
By Indiana Reed



### December 7, 2007.....4

Heavy, winter snow causes an historic outage  
By Steve Gregg, Manager of Operations



### Green Leadership.....6

The City of Durango leads by example, going “green” in 2007  
By Mark Schwantes, Director of Corporate Services



### From the President.....8

La Plata Electric - a commitment to the member/customers and community  
By Pam Patton, LPEA Board President



### Frontline.....10

Customer Service is about caring for the customer  
By Dan Hammond, Chief Financial Officer



### Employment OP.....12

Being an LPEA employee is more than just a “job”  
By Linda Looman, Human Resources Director



### Power Points.....14



### 2007 Financial Statements.....16

Editor  
Graphic Design  
Photos

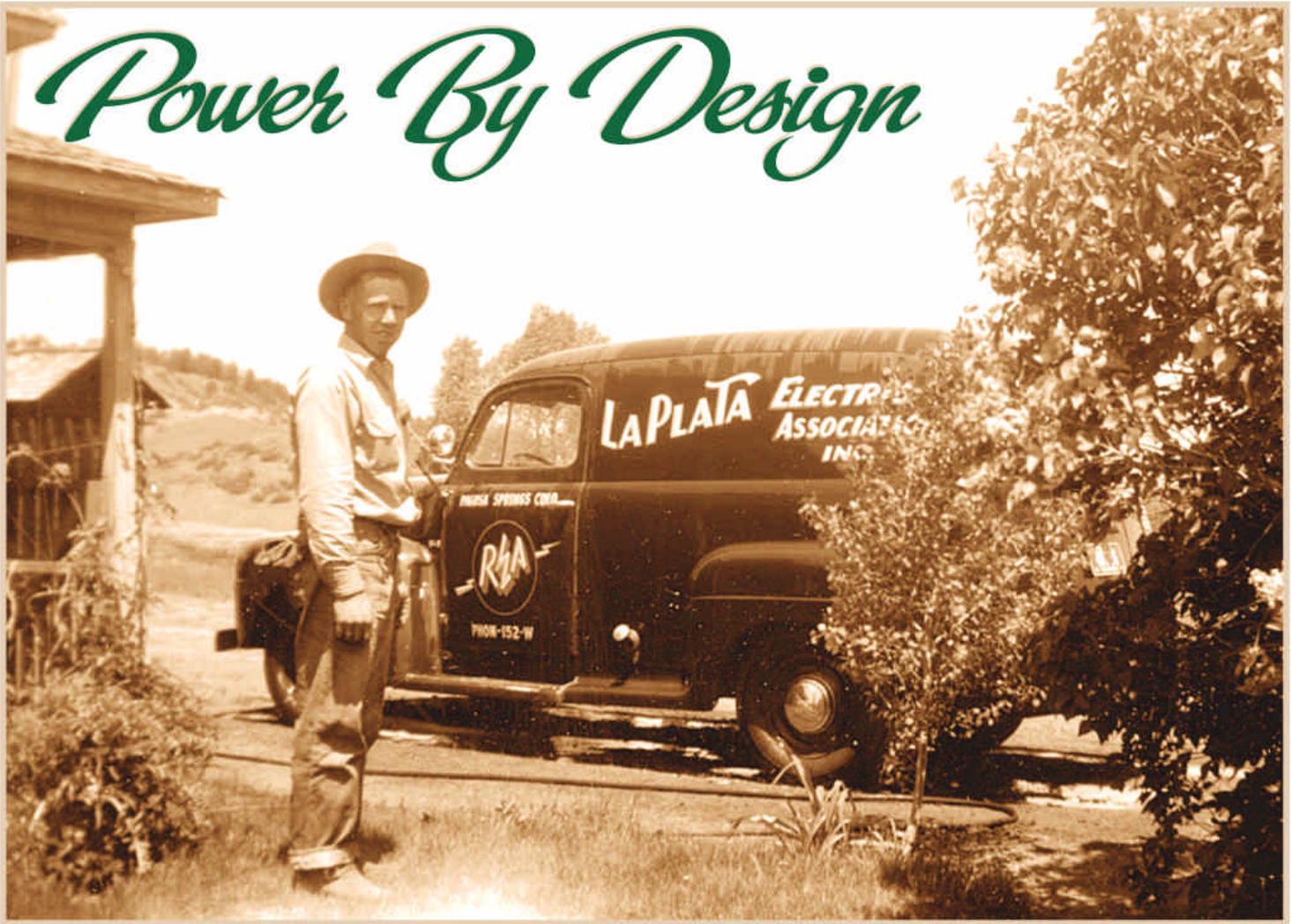
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Mission Statement: La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible

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# Power By Design



## LPEA serving member/customers for nearly 70 years

*By Indiana Reed, Marketing Communications Specialist*

In our sophisticated, high-paced world, utilities are often taken for granted, paling in the publicity shadow to the latest in digital devices or wireless technology. But, where would these things be without electricity? Indeed, electricity is so integrated into our everyday lives, we tend not to think about it until the power is interrupted.

“And consider, Archuleta and La Plata counties are essentially isolated,” said Greg Munro, LPEA CEO. “Having an electric company that is part of the community, and committed to providing reliable electric power, helps make for a pretty comfortable life in this corner of paradise. One of our goals is that you don’t have to think about securing electrical power.”

The region’s history is interwoven with the birth of alternating current, or electricity that is

transmitted from a generation source along electrical lines to all connected to those lines. In 1892 the Durango Light and Power Company, then later the Western Colorado Power Company (both LPEA’s predecessors) embraced the fledgling technology, “lighting” the rough and tumble town of Durango long before Eastern urban areas realized its viability.

Today, where the “big” cities have public utilities, areas such as La Plata and Archuleta counties realize electric power thanks to a network of rural electric cooperatives: Touchstone Energy, of which LPEA is a member.

Electric cooperatives are independent utilities, owned by the members they serve – and in the case of LPEA, this is all who sign up for electric service in their name. The cooperative is

a not-for-profit entity, and excess profits, when available, are returned to member/customers proportionate with their electrical use. LPEA also operates as a democratic business, with each member having a vote. Member/customers maintain control of the company by electing the 12-member board of directors (see page 8).

“As members of a cooperative, customers can take an active role in managing their electricity,” said Munro. “I’m not just talking about voting. We encourage our member/customers to understand what they can do to keep their costs down, help with sustainability and do what’s right for the community as a whole. Education is a major component of our member services.”

La Plata Electric was organized in 1939, a result of the Rural Electrification Administration launched by President Franklin D. Roosevelt and designed to help bring electricity to rural communities. After infrastructure construction, LPEA’s lines were first energized on Feb. 1, 1941, serving 157 customers.

Today, the 3,370 square mile LPEA service territory stretching across La Plata and Archuleta, with portions of Hinsdale, Mineral and San Juan counties, holds 3,432 miles of distribution and transmission line, plus 30 substations. This provides service to 41,375 meters, up from 40,337 in 2006, though the increase (growth) is the smallest in the past five years.

In 2007, LPEA purchased from its generation company, Tri-State Generation & Transmission Association, based in Westminster, CO 1,043,973,382 Kilowatt hours, (2,135,359 more than in 2006).

“We are encouraging energy efficiency efforts,” said Munro, noting that it may be an oxymoron for the purveyor of electricity to be touting energy efficiency, as “selling” electricity is how a business such as LPEA remains profitable. “But it’s a little bit different in the world of electric cooperatives. At LPEA, we believe if we can lower our members’ electric bills, teach our members how to use our service – which is electricity – more effectively, and help people use energy more efficiently, we are serving our constituency to the best of our ability, plus we are doing what we can to be responsible global partners.”

The average residential monthly use dropped from 677 kWh in 2006 to 673 kWh in 2007, though because of the increased cost of the electric bill from

Tri-State, the average monthly residential bill went from \$66.39 in 2006 to \$69.87 in 2007, or 10.38 cents per kWh, versus 9.80 cents per kWh in 2006.

“As a company we do our best to be fiscally responsible, provide reliable electric power at reasonable rates and respond to customer needs, while being environmentally responsible,” assured Munro. “We keep working at bettering our efficiency and embracing new technology. It’s a part of our effort to think outside the bulb.”

La Plata Electric employs 114 full time employees, 93 in the Durango Service Center and 21 in Pagosa Springs. The 2007 payroll was \$7,885,232, and LPEA paid taxes of \$881,351 in 2007 to five counties.

To learn more about LPEA and its services, visit [www.lpea.coop](http://www.lpea.coop), call 970.247.5786.

# LPEA

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 



LPEA  
La Plata Electric Association, Inc.  
A Touchstone Energy® Cooperative

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

# December 7, 2007

# LPEA

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative

## Heavy, winter snow causes an historic outage

*By Steve Gregg, Manager of Operations*

December 7, 2007, and the days following, will not soon be forgotten by nearly 18,000 LPEA customers in Archuleta and eastern La Plata counties, as heavy, water-laden snow disrupted electrical power transmission and distribution. The outage, lasting a total of three days for some customers, was one of the largest outages LPEA has experienced in recent history.

That morning, a heavy, wet snow was falling and the temperature was hovering around 32 degrees – an unfavorable combination for electrical equipment. If it's colder, the snow is fluffy and light and bounces off the wires. If it's warmer, it rains. Both are preferable to the conditions on December 7.

Around noon a fault occurred on the Tri-State Generation & Transmission 115kv line – the only electricity feed to all of Archuleta County and approximately 9,000 customers. Plus, the storm caused disruption on LPEA's distribution lines throughout eastern La Plata County, forcing nearly as many into the proverbial dark.

"As far as magnitude, the snowstorm in January 1993, when the roof at the college collapsed, was much worse as far as snow," remembers Ben Cordova, line and services manager. "Probably as many customers were affected, but they were scattered outages. On December 7, we had an entire county out of power."



While it was evident LPEA had pole and wire damage throughout Archuleta County, getting the backbone on was priority. Tri-State's transmission line runs through rough and isolated areas – especially as it travels from La Plata County into Pagosa Springs. Tri-State had

worked with the Forest Service during installation, setting the towers and lines out of view of the highway.

"This is all well and good when it comes to visual impact," says John Stephenson, LPEA operations superintendent. "But when a fault occurs on one of those lines – especially in the

depths of winter, finding the fault, let alone repairing it, can be extremely challenging."

While this transmission line technically wasn't LPEA's responsibility, LPEA does work hand in hand with Tri-State during outages to help ensure reliable electrical service to customers.

Thanks to advanced technology utilizing reflective measurement, Tri-State was able to identify the general area of line impacted. That general area was, however, 22 miles east of Bayfield, right about in the middle of access points in the Lake Capote region.

LPEA dispatched 13 line personnel to physically search for the fault – and it was a difficult search. In addition to the conditions, crews didn't know what they were looking for.

“The snow was deep, and getting to the area involved hiking in through mountainous terrain where there was no vehicular access,” says Cordova. “We couldn’t send in trucks with spotlights, so the crews were using hand-held flashlights, visually searching the poles and lines. We knew if we didn’t find the fault before dark, we had little hope of locating it until the next morning, even though we would keep searching.”

Back at LPEA headquarters, the operations team was alerting officials in the county and town, warning of the situation and advising that those with medical emergencies be contacted. It appeared it was going to be a long, cold, dark night.

“We narrowed it down to a six mile stretch, and then two men from our Pagosa service center, Steve Lynch and Nathan Bryant, methodically walked – in snowshoes - every section of line in that stretch. Nathan spotted it,” says Stephenson. “It turned out that a guy wire on a pole had snapped, ricocheted and wrapped itself around the transmission lines. The system, as it’s supposed to do, cut the power, so no other damage occurred.”

Crews were able to get the guy wire untangled and Tri-State began re-energizing the line before dark. To not over-load the entire system, the power had to be brought back on slowly.

Because of snow damage to LPEA poles, crossarms and distribution lines throughout Archuleta, many individuals did remain out of power for several more days until all of the damage could be repaired. Total, more than 30 line personnel were dispatched to the areas, working day and night to affect repairs and get everyone back in power.

Why was that storm so destructive? It’s a similar principle to a child who gets his tongue stuck to a frozen metal pole – something warm and wet comes in contact with metal and it sticks. The air temperature that day was relatively warm, and the snow was as saturated as it could be and not turn to rain. As it fell, it adhered with a vengeance to Tri-State’s transmission wires and to our distribution lines, and, as it continued to accumulate, simply put, it stretched the wires beyond their strength.

Even though a perfect storm like this can develop, electrical systems are designed and built to withstand what



would be considered twice normal capacity. They also are designed to immediately cut power if a fault occurs on the line – such as a fallen tree branch – so no further damage occurs.

LPEA has many additional safeguards and systems to account for Mother Nature’s damage to the electrical equipment. The incidents on December 7 could have been much worse, and, simply speaking, somebody was looking out for all of us.

LPEA’s dedicated crews and contractors were able to get the power flowing in a relatively short period of time, no one was injured and, as in all emergency situations, a few things were learned for the inevitable “next time.”





## The City of Durango leads by example, going “green” in 2007

*By Mark Schwantes, Director of Corporate Services*

Back in 1998 Tri-State Generation & Transmission, from which LPEA purchases its electricity, responded to requests from LPEA and other member distribution co-ops to include a green power option as part of its available resources to end-use consumers. “Green Power” is electricity produced from renewable resources such as wind, small hydro, photovoltaic or biomass.

The City of Durango seized on the opportunity, and became the first governmental entity in LPEA’s service territory to make a significant commitment to

sustainability, energy efficiency and renewable resources.

Initially, the cost to purchase Green Power was a premium of \$2.50 per 100 kilowatt-hour (kWh) block per month, so it was difficult for the City to justify spending taxpayer dollars for the City’s entire electric bill. Still, the city committed to cover 10 percent of City Hall’s usage. When the Green Power rate dropped to \$1.25 per 100 kWh block in January 2007, the City Council and staff made the decision to go 100 percent “green.”

“They did so with the caveat that LPEA work with the City on energy efficiencies in the various City-run facilities,” says Sue Maxwell, LPEA project specialist, noting that the Green Power premium has since been further reduced to \$0.80 per 100 kWh block. “And so that’s what we’ve done.”

The process began late last spring as LPEA officials established a “plan of attack” for the more than two dozen facilities, which vary in size and are located throughout the town – from the Durango-La Plata County Airport, to a pump station on 29th Street. LPEA and City staff members meet monthly to review the analysis and make suggestions for changes.

“We have six LPEA electrical demand meters currently in place,” says Roy Petersen, the City’s director of General Services. “They are helping us sort through all of this, and helping to cut the peaks and smooth the valleys out of the usage, to get us some consistent band for our electricity that is less expensive.”

The first completed analysis was the ice rink at Chapman Hill, which allowed for a reduction in the rink’s peak demand by shifting the electrical needs throughout the hours of operation. The City will realize an estimated annual savings of \$4,700, based on 2008 rates.

The recycling center was next on the list. LPEA adjusted the rate from large commercial to small commercial, and placed the center on the WattWatcher® program. WattWatcher® or “time-of-use” involves separate on-peak and off-peak rates to help balance the electric load. Tri-State charges LPEA less for purchasing electricity in off-peak hours. LPEA then passes that savings on to customers who have signed up for the WattWatcher® program. The electricity used during the off-peak period is, therefore, billed at a considerably lower rate than the regular rate.

“System-wide, the time-of-use program is saving our member/customers more than \$600,000 each year in electricity costs,” says Maxwell.

These changes made at the City’s recycling center will save \$3,500 annually, and, by implementing the same efforts at the Bodo Park Service Center (garages and office), an additional \$1,500 annually will be realized. At the 29th Street pumping station, \$2,200 will be saved annually through electricity demand management.

The review of facilities has continued into 2008, with the potential for more efficiency and dollar savings to become evident as appropriate measures are implemented. The total savings to the City at the close of 2007 was \$11,900.

“We’re also changing out light bulbs and we’re turning some light bulbs off,” says Petersen, noting that it adds up. “And we’re using motion detectors.”

And more possibilities exist. Aviation manager Ron Dent is exploring grant possibilities to finance the cost of replacing the runway lights with the energy efficient, and long lasting light emitting diodes or “LEDs.”

Further, at the wastewater treatment plant at Santa Rita Park, electricity has been generated on a small scale from the methane gas produced in the treatment process. This has been used to heat the building, but the effort will be expanded in 2008 to generate additional electricity.

“Probably the biggest thing on the horizon in the near future is digital controls for building environments, so we can actually program the building heating/cooling system to operate at optimum efficiency,” says Petersen. “We’ll be replacing the heating/cooling system in City Hall in 2008, installing compact, efficient roof-top units that we can program. For instance, in the Council Chambers; if there’s no activity in there, it won’t be heated or cooled.”

“I think it’s important for us to look at the two separate components. One is acting as a good business in our community – sustainable and environmentally friendly,” says Greg Caton, Durango’s assistant city



manager, noting that Durango has 550 full and part-time employees. “And the other is providing information to the community, to encourage them to do the same.”

With the City’s commitment to Green Power, purchasing 6,660 blocks in 2007, LPEA increased its purchase of renewable energy by roughly 40 percent. At the end of 2006, LPEA was purchasing approximately 3,200 blocks for its member/customers. Today, that amount is more than 21,000. As a result, LPEA is among the leading purchasers of Green Power in Tri-State’s 44-member cooperative system.

To sign up for Green Power, or explore additional energy efficiency programs, visit [www.lpea.coop](http://www.lpea.coop), or call 247-5786.

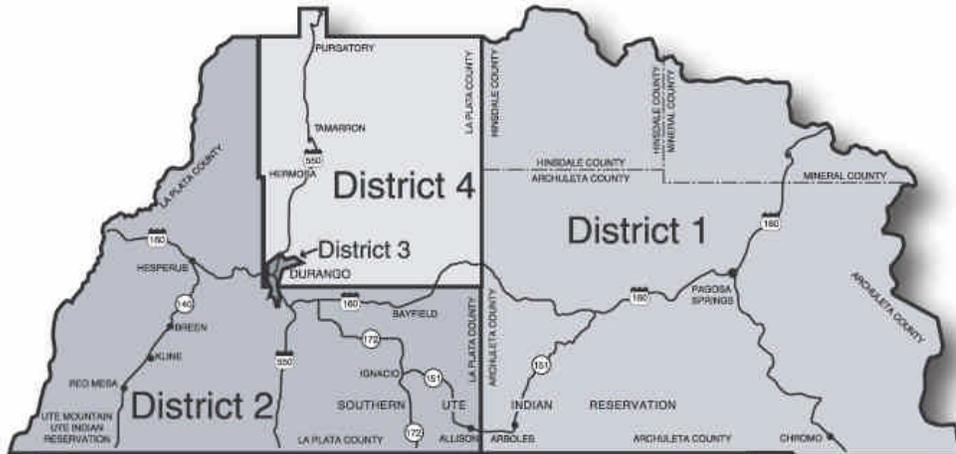


[www.lpea.coop](http://www.lpea.coop)

# Board of Directors



*La Plata Electric Association Board of Directors (left to right), Tom Compton (District 2), John Gardella, treasurer (District 3), Herb Brodsky (District 4), Pam Patton, president (District 4), Bob Formwalt (District 1), Davin Montoya (District 2), Harry Goff (District 3), Terry Alley, vice president (District 1), Jerry McCaw (District 2), Jeff Berman, secretary (District 3), Harry Cole (District 1), and Ed Zink (District 4).*



# From the President



## La Plata Electric - a commitment to the member/customers and community

*By Pam Patton, LPEA Board President*

What a winter! As I write this, the snow is melting fast and oil is \$110 a barrel. When fuel costs climb, other commodity prices surge. Just like you, we see the effects at LPEA. However, LPEA's financial performance in 2007 was strong. After paying all the bills, we were able to return \$2,028,144 in capital credits to our members. We didn't just "patch" the system after winter storms; we replaced broken lines and poles and made the system stronger.

Your electric rate rose about 10 percent in 2007 because of the cost of wholesale power. I think you'll agree that the increase was smaller than we are seeing for everything else. LPEA's energy efficiency programs are making a difference, and our power supplier, Tri-State Generation & Transmission Corporation, is joining with us to implement conservation programs. LPEA is also partnering with La Plata County, the City of Durango and other energy providers to build a coalition to assist homeowners and businesses with energy efficiency and to promote local renewable power generation projects.

Your 12-person LPEA board has three elected representatives from each of the four districts we serve. Several are

engineers, others ranchers. We have experience in the retail world, operating our own businesses and education. One thing we all have in common is that we treat LPEA's money as if it belongs to all of you, because it does. You are LPEA's stockholders and you should expect us to guide the company forward to meet its mission of providing reliable electric service at the lowest reasonable cost while being environmentally responsible.

What we on the board don't do is keep the lights on! The employees at La Plata Electric do that, and last winter's wet snows put them to the test. At my house, a lengthy time in the dark served to remind my family of the importance of electricity. The reliability part of our mission is number one! Our thanks go out to all of LPEA's employees as well as to our sister cooperative Empire Electric, our line construction subsidiary WESODI, and other contractors called in to help. And thanks to all of the members who weathered this winter with us with patience.

At LPEA, we are committed to reliability and to a greener, more efficient future for our industry. We welcome your ideas and want to hear from you.

## Customer Service is about caring for the customer

By Dan Hammond, Chief Financial Officer

Though line personnel brave the elements to maintain the system that brings electricity to LPEA's member/customers, there's a team of folks at the cooperative who, in many ways, takes on an equally great challenge: handling customer service.

Led by Betsy Lovelace, supervisor of customer service representatives, the ten-person team is likely the first contact for anyone calling or

individual when there's an issue with keeping the lights on.

"We genuinely and sincerely advocate for our member/customers because we too are member/customers," says John. "We want our community to feel welcome when they come in or call. Our efforts are centered on building a



visiting an LPEA service center. Not only must these professionals be well-versed in all services and products offered by the co-op, they must have the patience of saints and ready smiles.

"This is the best team of customer service representatives that LPEA has enjoyed in the 23 years that I've been employed here," says Lovelace. "They're conscientious and smart. The suggestions they offer to better serve our member/customers are excellent."

Indeed, the quality of service continues to improve. Many things they do may seem to be routine or small – but nothing is small to the

relationship so that our members are proud of their electric cooperative and its staff and management. Honesty and sincerity are key components in building that relationship with our members."

"We ourselves live, work and play right here locally where our customers are," says Paula, who sees that as an advantage over call centers that are located in remote (sometimes foreign) locations. "We can better relate to our customers' experiences, the local economy and events that affect all of us. It does add that poignant edge to our work, as we realize only too well the struggle that many of our customers face as they work to provide for their families and to meet their financial obligations."

Every call is unique, and no two days are identical for customer service reps – which perhaps is one of the attractive features of the job. A day could begin by explaining how a customer could support renewable energy through purchase of Green Power, followed by handling a line locate (call before you dig) request, to discussion of billing options, to explaining the Round Up Foundation, LPEA’s charitable giving arm. Approximately 10,000 accounts will disconnect and some 11,000 will connect service each year – and all those calls come through customer service.

“There is much more to this position than sitting at the front counter waiting for someone to come through the door,” says Karen. “When I first started, the realization of how many people within our company depend on me to be correct in my work overwhelmed me. It also takes a lot of time to have any kind of understanding of how electricity really works so I can try to explain it to the customers.”



There are the frustrating days of an unplanned outage, and the customer service reps do their best to keep current on repair progress. Recent weather-related outages and sub-zero temperatures called



attention to the need for customers to help LPEA be of better service by keeping their information updated – especially when an increasing number of people are foregoing the traditional land lines tied to property addresses, in favor of cell phones.

“Rather than submitting new information by mail and possibly delaying entry of the new information, it is better if the customer could call directly, as the new data would be entered during that phone call,” says Marilyn.

“We do anything possible to accommodate the customer,” says Tracy, who appreciates it when customers treat LPEA representatives with the same respect

they’d prefer. “When a customer leaves our office I want them to feel that I did everything I could to help them or direct them in the proper way to answer their question or address their concern.”

For the most part, the job is a rewarding one, according to the team. Communication is key, and customers can go far to enhance the relationship by keeping informed about LPEA and its activities. “We do go out of our way to help people,” assures Jackie, “but do stay informed.”

“Participate in the Annual Meeting, be aware of our web site,” echoes Cathy, referencing [www.lpea.coop](http://www.lpea.coop), which is regularly updated, especially during an outage.

The local utility company may seem to be an unglamorous place to be employed, but many, many things go on behind the scenes to ensure reliable electric service throughout Archuleta and La Plata Counties. The customer service representatives need to be up on it all and ready at a moment’s notice to shift gears – all for the benefit of the cooperative and its member/customers.

“I am convinced that friendly, personal, professional interaction with our customers is the key to our success,” says Sharon.

And as Paula notes, “I have always felt a sense of pride and deep gratitude for the opportunity I have to be part of La Plata Electric and to be ‘on the front lines’ of customer service. And I could not ask for better co-workers. They are the very best.”





## Being an LPEA employee is more than just a “job”

*By Linda Looman, Human Resources Director*

As you review the list of LPEA’s employee names and years of service, what goes through your mind?

Perhaps you know some of these fine folks, or are impressed with their many years of service. Being an employee of La Plata Electric is truly more than a “job,” it’s being a part of the LPEA family. Our employees are highly skilled and proud of what they do. La Plata Electric is a workplace where staying through retirement is the norm, not the exception. Yet, retirement is nearing for many. Four retirements in the past year bring home this reality.

LPEA currently has 114 full time employees. Of these, 53 are part of our “Operations” group. Operations includes many of our skilled positions, such as Journeyman Lineman, which require a four-year apprentice program. We forecast that 55 percent of our Operations group will retire in the next 10 years. Company-wide, we estimate that 45 percent will retire in the same period of time.

This is substantial, and LPEA is actively planning for these retirements. We’ve put together a “Ten-Year Workforce” plan to guide us through these coming years, that does include hiring locally whenever possible.

With the natural attrition, we will have employment opportunities in all areas of the cooperative, including, Customer Service, Accounting, Engineering and Operations. Some positions will be replaced at the time of an employee’s retirement, while other replacements will actually be hired years before. For example, we are hiring apprentices four years ahead of the forecasted retirement date of the Journeyman craftsmen they will be replacing.

La Plata Electric has a number of bona fide apprentice programs. These programs are approved by the U.S. Department of Labor and include field work of up to 8,000 hours, academic study completed on the apprentice’s own time, plus rigorous testing. As you can imagine, an apprentice must have a high level of commitment to achieving Journeyman status.

LPEA currently has two Apprentice Staking Engineers and five Apprentice Linemen. For each apprentice, a minimum number at the Journeyman Lineman level must be available to oversee their activities. As these apprentices attain Journeyman status, we’ll be adding more to the program. We’re excited to make this commitment to the future, adding more dedicated employees to the LPEA family.

For more information on careers at LPEA, visit our website, [www.lpea.coop](http://www.lpea.coop).





**35 YEARS** Richard Archuleta  
Steve Gregg

**33 YEARS** Gayle Norman

**32 YEARS** Cindy Straight

**31 YEARS** Randy Neil

**30 YEARS** John Branam Jim Coloff  
John Chenoweth Bruce Crangle

**29 YEARS** Doug Moore Larry Redman  
Roland Pack John Shafer

**28 Years**  
Ben Cordova  
Phil Dietrich  
Steve Orr

**27 Years**  
Brad Pulver  
Red Sullivan  
Jean Vittetow

**26 Years**  
Lorna Appel

**24 Years**  
Jerry Wills

**23 Years**  
Les Hahn

**22 Years**  
Guy Fine  
Lorraine Gurule  
Betsy Lovelace

**21 Years**  
Paula Akin  
Mark Head

**20 Years**  
Bud Gohn

**15 to 19 Years**  
Tim Baker  
Dennis Baxter  
Craig Burnham  
Jerry Fleener  
Byron Greco  
Ralph Linesty  
Donnie Lucero  
Sharly Miller-Ferris  
Mark Schwanles  
Brent Tanner  
Mike Wertenberger

**10 to 14 Years**

Mike Alley Debbie Bass  
Jeannie Bennett Nathan Bryant  
Pat Conway Jackie Doyle  
Randy Ferris Dave Gebhardt  
Tom Gottlob Stephen Haning  
Dan Harms Rhonda Kimbrough  
Steve Lynch Curt Marlatt  
Ron Meier Brandi Millich  
Greg Munro Tiffany Quimby  
Darin Rome Don Short  
Kenny Sutherland Justin Talbot  
Sharon Walter Linda Wilsey  
Pat Fahrion

**5 to 9 Years**

Marilyn Arnaout Suzy Bynum  
Bret Cochrane Larry Day  
James Forsythe Tracy Graybeal  
Gary Hubbs Sandie Marlatt  
Baker McKonly George Morgan  
Ryan Peacock Ray Pierotti  
Charlene Sandoval Jeannette Simpson  
John Stephenson Jerry Sutherland  
Bobby Turner Krista Vandiver

**0 to 4 Years**

Tracy Allen Will Baird  
Morgan Carey Monty Caudle  
Cindy Lou Dempsie Jeanne Dittmar  
Jerome Doane Randy Dunton  
Cathy Falcone Misty Fredrickson  
Aaron Galloway Jeremy Gurule  
Dan Hammond Eric Hoover  
Kevin Hoover Linda Looman  
John Mackley Joel Mann  
Sue Maxwell Jurgen Montgomery  
Kelly Mystak Jackie Nelson  
Mindy Potter Aaron Renner  
Archie Ribera Dusti Riggs  
Darrick Robinson Karen Sims  
Dyrk Tucker Dave Vaclav  
Jeff Wadsworth Jake Wills

**Retired**

Pete Tackett — 35 Years John Snider — 31 Years  
Danny Pierce — 29 Years Connie Trujillo — 20 Years

Statement of Non-Discrimination  
La Plata Electric Association is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1967, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from the participation in, admission or access to, benefit of, or otherwise be subjected to discrimination under any of this organization's programs or activities.  
The person responsible for coordinating this organization's non-discrimination compliance efforts is Greg W. Moore, Chief Executive Officer. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the policies and regulations listed above from and/or file a written complaint with this organization, or the Secretary, U.S. Department of Agriculture, Washington, DC 20250; or the Administrator, Rural Utilities Service, Washington, DC 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

## LPEA Names College Scholarship Recipients

Shanti Johnson, Anthony Salvo, Zackary McGill, Danika Friedley and Catherine "Ryne" Olson were the recipients of the scholarship offered by and through LPEA in 2007.



Shanti Johnson

Shanti Johnson, a 2007 graduate from Pagosa Springs High School, and the daughter of Veronica and Kim Johnson of Pagosa Springs, was the recipient of the 23rd annual LPEA/Fort Lewis College scholarship. The LPEA/FLC scholarship, which is awarded annually, provides tuition, books and fees for all four years at FLC.

The 2007 recipient of LPEA's John Voelker Memorial Scholarship for Vocational, Technical School or Junior College, was Anthony Salvo, a graduate from Ignacio High School. Salvo is the son of Marisa and Robert Salvo of Ignacio.

Anthony is the seventh recipient of LPEA's John Voelker Memorial Scholarship, which is named after LPEA board member John Voelker who was instrumental in creating the scholarship that awards up to \$3,000 per year to students planning to attend a Vocational, Technical school or Junior College. Voelker perished in the Egyptian Air plane crash in October of 1999.



Anthony Salvo

Zackary McGill of Durango received a \$1,000 scholarship offered by Basin Electric Power Cooperative. A 2007 graduate of Durango High School, Zackary is the son of Laura and Ben McGill of Durango.



Zackary McGill

Danika Friedley received one of two \$500 scholarships awarded by Tri-State Generation & Transmission. A 2007 graduate from Bayfield High School, Danika is the daughter of Sandy and Jim Friedley of Bayfield.



Danika Friedley

Catherine "Ryne" Olson, a 2007 graduate from Durango High School, and daughter of Katy and Mike Olson of



"Ryne" Olson

Durango, received the second \$500 scholarship awarded by Tri-State Generation & Transmission.

Information regarding LPEA's scholarship programs is available at [www.lpea.coop](http://www.lpea.coop).



Students of Fort Lewis Mesa Elementary

## Schools receive honors for "Change a Light"

As a result of LPEA's on-going effort to educate youth in La Plata and Archuleta Counties about energy efficiency and compact florescent light bulbs, two area elementary schools took a next step and competed in a statewide "Change a Light" program – and won.

Fort Lewis Mesa and Ignacio Elementary Schools were two of only four schools in Colorado to be honored by the Governor's Energy Council, Project Learning Tree and the American Forest Foundation.

"The schools participated at the 70 percent level, which was amazing," notes Ray Pierotti who organizes the energy efficiency school program for LPEA. "The other two schools are in metropolitan areas, but our winners are two of the most rural schools in the state, which in my book makes their accomplishment even more impressive."

Ignacio Elementary secured pledges to change out 80 incandescent bulbs for CFLs, with Fort Lewis Mesa close behind with 76 pledges.

The schools each received a \$200 certificate for continued environmental training for educators, CFL bulbs and the "Empowered" video designed to inform students of their ability to make "a difference."



Ignacio Elementary Presentation



## LPEA installs new EZ-Pay touch-screen kiosks

New technology was installed at La Plata Electric's Durango headquarters, designed to help those member-customers in La Plata and Archuleta Counties on LPEA's "Pre-payment Metering System" avoid disconnection of their electric power.

Operating in similar fashion to a pre-paid debit or telephone card, the EZ-Pay service, featuring touch-screen kiosks located in LPEA's foyer, is useful to landlords with a transient renter base, as well as those customers who have difficulty paying their electric bills.

Customers who sign up for the program receive an empty EZ-Pay card coded solely for their account. The card is inserted in the kiosk and the customer pays for a desired dollar amount with cash or credit card. To then pay for electricity, the customer swipes the EZ-Pay card through the specially-installed equipment at their residence or business. That dollar amount worth of electricity is then available for use. When the dollar amount remaining reaches \$5, a monitor in the home or business signals a warning. The customer then revisits the LPEA kiosk to purchase additional power on the EZ-Pay card.

To learn more about LPEA's variety of bill pay options, visit, [www.lpea.coop](http://www.lpea.coop) or call 247-5786.

## LPEA Director Bob Formwalt Earns Credentials

Pagosa Springs resident Bob Formwalt, a La Plata Electric Association director since 2000, completed the required classes and earned his Credentialed



Cooperative Director certificate and Board Leadership Certificate from the National Rural Electric Cooperative Association (NRECA).

The NRECA Credentialed Cooperative Director, or CCD, program requires attendance and demonstrated understanding of the basic competencies contained in five core courses: Director Duties and Liabilities; Understanding the Electric Business; Board Roles and Relationships; Business Planning; and Understanding Financial Planning.

The Board Leadership Certificate recognizes individuals who continue their professional development after becoming a Credentialed Cooperative Director. Directors who have attained the Board Leadership certificate have completed 10 credits in advanced, issues-oriented courses.

## LPEA lights up the town



The 2007 Holidays may be remembered as the beginning of a new era for decorative lighting, as La Plata Electric helped introduce Archuleta and La Plata municipalities and the Durango Chamber of Commerce to LEDs.

LPEA first experimented with LED (or light emitting diodes) lights during the Jolly Roger Snowdown in 2007, decorating the pirate ship parade float with 900 ft. of LEDs, allowing it to be lit by power from the truck battery and not a separate generator. LEDs pull one-twentieth of the energy of the traditional Christmas tree lights.

As the holidays rolled around, to help all the municipalities in LPEA's service get started on a holiday light replacement program, the cooperative donated \$500 worth of LED lights to each town and county, resulting in a new era of "illumination" in Southwest Colorado.

Perhaps the most dramatic undertaking was the partnership with the Durango Chamber of Commerce, Durango Area Association of Realtors, Durango Fire & Rescue Authority, Dillon Crane and the City of Durango, as the entities teamed up to "light" the approximately 100 ft. spruce tree at the corner of Main Avenue and 12th Street in Downtown Durango.

La Plata Electric purchased 3,000 feet (120 strings) of jewel-tone LED lights from Eco Home Center and helped coordinate installation of the lights – which took literally all day.

By using the LED lights, the electricity cost for the City was reduced to \$8.64 as opposed to the \$540 the "old" type of lights would have required. The LED bulbs will also last 133 times longer – or 20,000 to 100,000 hours versus 1000 hours for traditional lights.

## Students participate in Washington DC Youth Tour

Area high school students Caleb Flint, Kailee Kenyon and Adam LeFevre were selected to participate in the 2007 National Rural Electric Youth Tour to Washington D.C. hosted by La Plata Electric Association and The National Rural Electric Cooperative Association.

Caleb, Kailee and Adam joined juniors from LPEA's sister electric co-ops across Colorado for this once-in-a-lifetime trip, June 7-14. The schedule included an intimate look at our nation's government from the inside.



*Jacqueline Hampton, a 3rd grade student at Pagosa Springs Elementary School, was the winner of the greeting card competition. Her design adorned the cooperative's 2007 holiday card.*

*For her efforts, Jacqueline received a \$100 savings bond, which was presented to her during a cupcake and juice party in her classroom. Her parents are Doug and Julia Hampton, of Pagosa Springs.*

# Financials

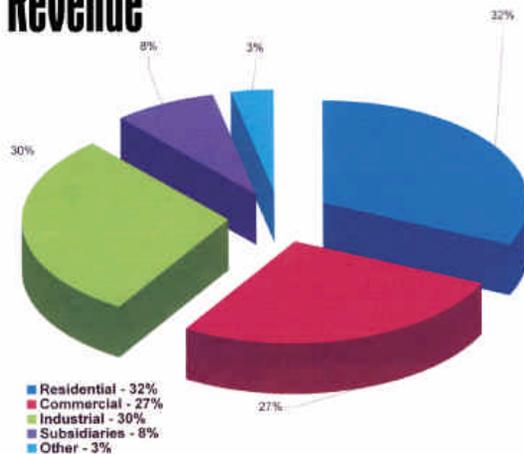
**La Plata Electric Association  
Consolidated Comparative Balance Sheets  
December 31, 2007 and 2006**

	<b>ASSETS</b>	
	<u>2007</u>	<u>2006</u>
<b>UTILITY PLANT</b>		
Electric Plant	\$227,044,001	\$213,979,680
Depreciation	63,890,643	57,980,811
Depreciated Value	<u>163,153,358</u>	<u>155,998,869</u>
INVESTMENTS AND OTHER PROPERTY	<u>48,713,152</u>	<u>39,558,460</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,430,071	8,106,282
Held-to-maturity securities	979,283	1,152,433
Receivables	9,356,226	6,926,249
Materials	1,884,112	1,593,429
Prepayments	<u>264,973</u>	<u>691,509</u>
Total	<u>16,914,665</u>	<u>18,469,902</u>
DEFERRED INCOME TAX	<u>982,832</u>	<u>1,618,994</u>
<b>TOTAL ASSETS</b>	<u><b>\$229,764,007</b></u>	<u><b>\$215,646,225</b></u>
	<b>LIABILITIES AND CAPITAL</b>	
	<u>2007</u>	<u>2006</u>
<b>CAPITAL EQUITIES</b>		
Patronage capital	\$ 94,392,179	\$ 81,683,384
Other equities	32,621	28,891
Total	<u>94,424,800</u>	<u>81,712,275</u>
LONG-TERM LIABILITIES	<u>98,221,779</u>	<u>94,434,549</u>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	3,447,115	3,339,867
Accounts payable	6,074,688	5,849,455
Accrued expenses	6,940,579	7,156,842
Accrued taxes	1,136,137	1,202,513
Customer deposits	867,059	884,982
Total	<u>18,465,578</u>	<u>18,432,659</u>
DEFERRED CREDITS	<u>18,651,850</u>	<u>21,066,742</u>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<u><b>\$229,746,007</b></u>	<u><b>\$215,646,225</b></u>

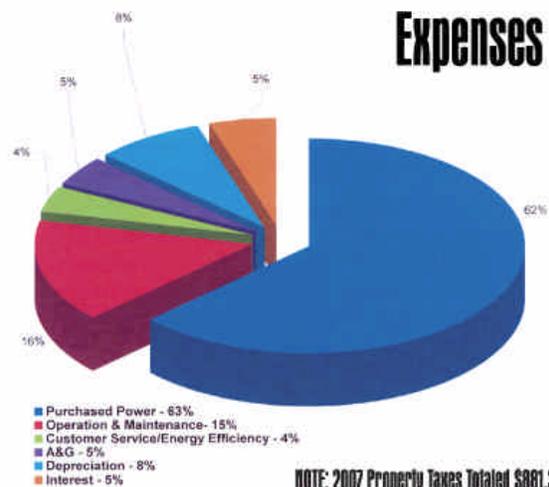
**La Plata Electric Association  
Consolidated Statements of Revenue and Patronage Capital  
For the Years Ending December 31st, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>OPERATING REVENUE</b>		
Electric energy revenue & gross sales	\$ 83,516,400	\$ 73,903,287
Miscellaneous revenue	<u>9,397,024</u>	<u>10,459,209</u>
<b>Total Operating Revenue</b>	<b>92,913,424</b>	<b>84,362,496</b>
<b>OPERATING REVENUE DEDUCTIONS</b>		
Cost of Power & goods sold	56,454,441	49,644,837
Operating expenses - transmission	633,169	582,806
Operating expenses - distribution	10,367,807	10,685,562
Maintenance of distribution plant	2,687,585	2,593,312
Accounting and collection expenses	1,793,067	1,908,431
Other customer expenses	1,629,655	1,196,619
Administrative and general	3,816,696	3,299,209
Depreciation	<u>7,081,804</u>	<u>6,678,825</u>
<b>Total Operating Revenue Deductions</b>	<b>84,464,224</b>	<b>76,589,601</b>
 Operating Margin Before Fixed Charges	 8,449,200	 7,772,895
Less: Interest on long-term debt	<u>4,326,465</u>	<u>4,011,350</u>
<b>Operating Margin Before Capital Credits</b>	<b>4,122,735</b>	<b>3,761,545</b>
 G&T and other capital credits	 <u>9,805,207</u>	 <u>4,670,884</u>
<b>Operating Margin</b>	<b>13,927,942</b>	<b>8,432,429</b>
 Interest revenue	 580,737	 647,657
Other revenue	<u>323,757</u>	<u>1,507,971</u>
<b>Nonoperating Margin</b>	<b>904,494</b>	<b>2,155,628</b>
 <b>NET MARGIN</b>	 <b>14,832,436</b>	 <b>10,588,057</b>
 Patronage Capital - Beginning of Year	 <u>81,712,275</u>	 <u>73,038,090</u>
Subtotal	<u>96,544,711</u>	<u>83,626,147</u>
Distributions, net	<u>(2,119,911)</u>	<u>(1,913,872)</u>
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<b>\$ 94,424,800</b>	<b>\$ 81,712,275</b>

## Revenue



## Expenses



NOTE: 2007 Property Taxes Totaled \$881,351

# Don't worry, we'll take care of your electric power...



## But as a LPEA member-customer, you have the power to make a difference too.

That's the thing about a rural electric cooperative, you can take an active role. For example, LPEA members have the option to purchase Green Power blocks, or look into energy-saving Electric Thermal Storage heaters, or give back to the community by "rounding up" your bill each month.

## There's a lot more to your electricity than a light bulb.

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

# LPEA

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

970.247.5786

# LPEA

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A Touchstone Energy® Cooperative 

PO Box 2750 • Durango, CO 81302-2750



*Lineman's Rodeo participants Justin Talbot, Eric Hoover, Gary Hubbs, Jerry Sutherlin and Bobby Turner*

## LPEA Linemen rank high at Lineman's Rodeo

Four apprentice linemen with La Plata Electric Association demonstrated their skill and took home honors at the 2007 Mesa Hotline School Lineman's Rodeo.

Out of 140 participants from Colorado, Montana, Utah, Wyoming, Arizona and New Mexico, Jerry Sutherlin, second year LPEA apprentice lineman, placed 2nd overall; Gary Hubbs, second year apprentice lineman, placed 7th overall; Bob Turner, fourth year apprentice lineman, placed in the top 20 overall; and Eric Hoover, first year apprentice lineman, placed in the top third overall. All are based in La Plata County.

The rodeo concluded the week-long Mesa Hotline School, which all LPEA apprentices attend as part of their training. The school is a model for providing training for privately-owned and non-profit utility companies. Manufacturers and consultants combine in a total effort to offer the ultimate in repair and maintenance of electrical transmission and distribution.

Justin Talbot, LPEA line crew foreman, served as a rodeo judge for the second year, and has participated in six earlier events.