



## **FOR IMMEDIATE RELEASE**

### **10th Circuit Ruling Signals End to Years of Exit Fee Litigation Ahead of LPEA's April 1 Transition**

**DURANGO, Colo., (March 24, 2026)** – The U.S. Court of Appeals for the 10th Circuit today signaled an end to years of litigation over how exit fees are determined for distribution cooperative members, including La Plata Electric Association (LPEA), seeking to leave all-requirements power supply contracts with Tri-State Generation and Transmission (Tri-State). LPEA has been intervening in the proceedings for more than five years, alongside other distribution cooperatives including Delta-Montrose Electric Association, Mountain Parks Electric, and United Power, supporting a fair, transparent and durable methodology for determining exit fees. LPEA will culminate its two-year contract termination process on April 1.

“This decision reinforces the importance of a fair and transparent exit framework,” said Chris Hansen, LPEA CEO. “As we approach April 1, it provides additional confidence in a process that supports reliable, affordable power and a more locally controlled energy future for our members.”

The ruling upholds multiple Federal Energy Regulatory Commission (FERC) orders issued since December 2023 that established a consistent, transparent framework for calculating exit fees, helping reduce uncertainty and support more predictable long-term cost planning.

The 10th Circuit’s decision affirms FERC’s approach, noting that the Commission carefully evaluated competing perspectives and adopted a balanced methodology. The court also emphasized that exit payments should not shield Tri-State from broader business risks, reinforcing the importance of a just and reasonable framework.

The decision represents a meaningful milestone for cooperatives pursuing greater flexibility and local control, while providing added clarity and certainty for those navigating the exit process.

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#### **About LPEA**

La Plata Electric Association is a member-owned electric cooperative serving Southwest Colorado, including La Plata and Archuleta counties. Headquartered in Durango, LPEA provides safe, reliable and affordable electricity to approximately 37,500 members across a diverse and geographically complex service territory. For more information, visit [www.lpea.coop](http://www.lpea.coop).