



La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

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NEWS

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LPEA board delays rate increase and allocates \$90,000 in special funds to support community during COVID-19

DURANGO, Colo. – The La Plata Electric Association (LPEA) Board of Directors today approved a rescue package to support its members and community during the COVID-19 pandemic. LPEA, which already announced it will suspend disconnects for non-payment for its residential and small-commercial members until further notice, will now also delay its rate increase three months, and allocate \$90,000 in unclaimed capital credits to utility bill assistance and local emergency response programs.

“LPEA is a not-for-profit electric cooperative, which means it is owned and operated by its members at cost,” said Bob Lynch, LPEA Board President. “We, the board and LPEA employees, are a part of the communities we serve, and we want to do what we can to help our neighbors in this time of need. We do not take these decisions lightly, as they will put additional financial and administrative pressure on the organization, but we feel strongly that this is the right thing to do.”

The LPEA COVID-19 rescue package includes the following three elements:

1. Delay of rate increase:

The [2020 rate increase](#) was unanimously approved by the board in January to generate the funds needed to update and improve LPEA’s electric infrastructure, improve reliability to members, and keep up with the cost of inflation. Delaying the effective date of the rate increase from April 1st to July 1st will cost the utility roughly \$1 million. To offset this loss, the board approved a withdrawal from LPEA’s emergency rate stabilization fund, which was created in 2019 to safeguard business operations in emergency situations. The board views the creation of this fund as fortuitous, because it can now be used to help LPEA members in this time of great need.

2. Allocation of \$90,000 in unclaimed capital credits:

As LPEA is a not-for-profit utility delivering service to its members at cost, any payments made by members in excess of the cost required to provide their electric service are placed into a patronage capital account in each member's name, usually referred to as "capital credits". When the cooperative is able, capital credits are "retired" and returned to members as bill credits or by check. If these checks are not cashed after three years, they are considered to be "[unclaimed](#)".

Unclaimed capital credits are traditionally assigned to community causes, and in this spirit, LPEA will assign \$90,000 to assist those in its service area as follows: \$50,000 will be allocated to assist LPEA members who cannot pay their bills due to job loss and business closure; \$25,000 will be allocated to the Community Emergency Response Fund; and \$7,500 each will be provided to the Community Emergency Action Coalition and the Pagosa Outreach Coalition.

3. Suspension of disconnects for non-payment:

As [previously announced](#), LPEA had suspended all disconnects for non-payment until further notice. While no residential or small-commercial utility services will be disconnected during the suspension, this is not a debt forgiveness program. LPEA members are still expected to pay their bill when they are able, either through a flexible payment plan or funding assistance. Members should contact LPEA at (970) 247-5786 for more details.

LPEA is a member-owned, not-for-profit, electric distribution cooperative serving La Plata and Archuleta, with segments of Hinsdale, Mineral and San Juan counties. LPEA is the fifth largest cooperative of 22 in Colorado, and aims to provide safe, reliable electricity at the lowest reasonable cost to its approximately 34,000 members. For additional information, contact LPEA at 970.247.5786 or visit www.lpea.coop.

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