

2019 BUDGET PROCESS

Priorities and forecasting

BY TOM SIFERS GENERAL MANAGER



TOM SIFERS

Have you set your household budget for 2019? Mountain Parks Electric has, keeping you in mind, of course. Every fall, beginning in late September, MPE's individual department managers, under the direction of the manager of finance and accounting, begin the process of budgeting for the coming year. Overseeing this process is one of the key aspects of my job.

Our budgetary priorities include 1) maintaining a high level of safety for our employees, members and the general public; 2) setting electric rates for our members that are affordable; 3) delivering electric service that is reliable (we aim for 99.99 percent or an annual average service outage of under 53 minutes per member); and 4) identifying areas for potential cost containment.

This process includes forecasting energy sales and purchased power costs.

Our energy sales forecast is based on the prior 12 months of energy sales and a projection of new services (meters) being added. One thing we can't predict is the weather, which affects energy sales more than you might think. Is it going to be a normal weather pattern (resulting in average energy sales), or will it be abnormally warm (lower energy sales) or cold (higher energy sales)?

Seasonal usage and the state of the local economy also affect our forecasting. Approximately 60 percent of MPE's residential electric services deliver power to members whose primary residences are outside of our service area. When budgeting, we consider how the economy will impact second home usage and new

construction trends (which could mean new meters connecting to our power grid and requesting electric service). Historically, MPE's average usage per member is low when compared to other utilities. This is due to seasonal usage trends of second homes (typically on weekends, holidays and during tourism travel patterns) and lack of summertime load (like air-conditioning). As such, when budgeting, I tend to project energy sales conservatively due to the number of variables affecting energy sales and the uncertainties of the weather and economy.

Another area that requires forecasting is reviewing the wages and benefits necessary for recruiting and retaining skilled employees. MPE requires a specialized and skilled labor force. Most of our employees are recruited nationally. They help us maintain an environment of safety and pursue our "four nines" goal (99.99 percent reliability). The local economy factors heavily in the recruitment of these employees: the cost of housing, limited employment opportunities for spouses and access to essential services. Therefore, our wages and benefits are set to be competitive with other utilities, since we recruit from the same employee pool.

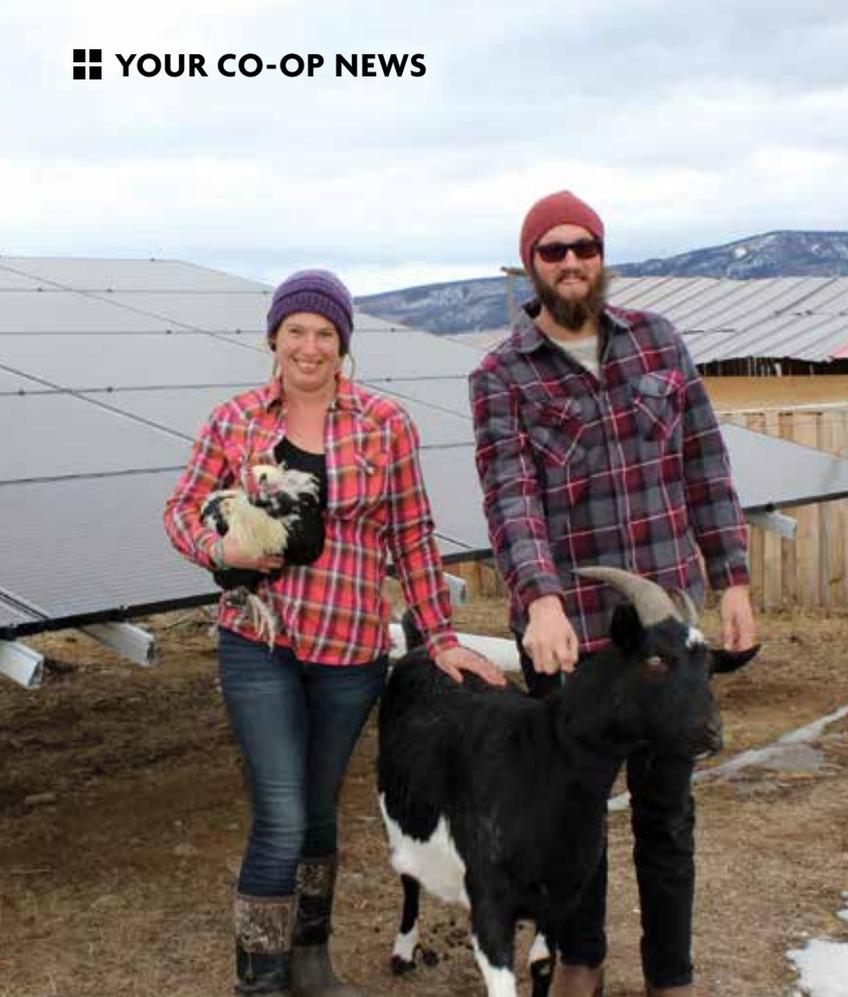
We also do our best to control internal operating costs. Identifying areas of cost containment isn't just an annual budget exercise; it is an ongoing goal. Over the past 10 years MPE downsized the number of full-time employees from 74 to 60 and adopted numerous cost containments.

MPE's 2019 preliminary budget, presented to the board of directors in October, projected operating margins of

1.75 percent at 2018 electric rates. It was recommended to the board to increase the operating margins to 3 percent. To achieve this, it required an average rate adjustment of 1.1 percent. The board approved this increase at its November board meeting. We anticipate that a rate adjustment will take effect later this year.

Since MPE is a cooperative, a not-for-profit energy provider, you might wonder what happens if it collects too much revenue. Good question. The answer is that all operating margins will be refunded to you in the future. These operating margins are returned to the membership in the form of patronage capital. *[Steve Collins, ACCT 152022701]*





Un-renew-a-believable

Did you know? As a member of Mountain Parks Electric, 30 percent of the energy you use comes from renewable resources. Sign up today for MPE's Green Power Program and help offset the cost of installing local renewable energy projects.



MOUNTAIN PARKS ELECTRIC, INC.

Your Touchstone Energy® Cooperative



Sign up at MPEI.COM

PET OF THE MONTH



JAC

is a miniature Australian shepherd, who likes to help his owner, Diane LeDuc, pay the electric bill.

WAYS TO SAVE

BY LINDSAY MCCANN BILLING SUPERVISOR

BE MINE Valentine Energy-Saving Tips

- If you are enjoying a romantic stay-at-home meal for Valentine's Day, after eating, don't forget to run full loads in your dishwasher.
- After dessert, possibly while still under the spell of something chocolaty, unplug unused appliances to burn off those empty calories.
- If emailing Valentine messages, turn off your computer when finished instead of allowing your computer to automatically power down.
- When texting Valentine messages, if your phone is all charged up, unplug the charger.
- And don't forget the candles! Switch off lights for dinner and eat by candlelight. [Craig Farson, ACCT 1014575]



Find Your Name Win \$5

If you find your name in this magazine, contact Mountain Parks Electric to receive a \$5 credit on your power bill. Winners must contact MPE within one month of the date of issue.



▲ The Scholls: Stephanie, Tyler, Tabor and Shawn



Big Shooter Coffee

A must stop on U.S. Highway 40

BY ROB TAYLOR

MANAGER OF COMMUNICATIONS

BEFORE A \$4 CUP OF JOE WAS A THING

In 1998, contemplating the future, Kremmling's Shawn and Stephanie Scholl read the tea leaves and found, of all things, coffee.

At the time, Starbucks wasn't the staple in the Rocky Mountain West that it is today. Grand County's first modern-day coffee shop — Fraser and Winter Park's Rocky Mountain Roastery — had only recently opened. But it was 48 miles down the road on U.S. Highway 40, clear on the eastern end of the county, where, like Steamboat Springs to the north and Breckenridge to the south, skiers outnumbered snowmobilers.

But regardless of how people played in the snow, change was in the air. As the turn of the century neared, palates were aligning in a new direction.

1998 was the year that U.S. consumption of soda pop reached its height — approximately 54 gallons of soft drinks consumed per person on a yearly basis. A steady annual decline followed. Overnight, it seemed, consumers clamored instead for macchiatos, demitasses, ristrettos and any number of exotic espresso drinks. And outside of Fraser and Winter Park, these concoctions were nowhere to be found in Grand County.

Opportunity knocked.

TO COFFEE, PERCHANCE TO AWAKEN

U.S. Highway 9 converges with U.S. Highway 40 in Kremmling. There, the urge for travelers from Silverthorne, Steamboat Springs and Granby to pull over, stretch their legs, refuel and refresh is contagious.

They often spend a little pocket money in town before heading on down the road again. And in 1998, you could get a lot for a little. The U.S. gross domestic product was growing at approximately 4 percent a year. A gallon of gas cost \$1.15, and a candy bar and a cup of gas station coffee were each less than \$1.

The time was right, the Scholls believed, to give travelers a reason to spend a little more.

Big Shooter opened in May 1998, in the historic Hotel Eastin (built in 1906), during Kremmling Days. Ride the Rockies cycled through town that same weekend.

"The coffee line was out the door when we opened," Big Shooter owner Stephanie Scholl recalls, in a tone like it happened just last week. But, as with most new businesses, plenty of slow days followed, when she would sit for hours at a time without a single customer.

"I knew that we could make it," she says, nodding. "And I was determined to do it right. To be consistent. To hang in there." That meant staying open on weekends and holidays and matching tourist traffic hours. And, of course, brewing espresso well enough to turn first-time customers into regular patrons.

Success didn't come overnight.

Twenty years later, Stephanie still keeps tourist hours in her new location, on the other side of Main Street (U.S. Highway 40). She works a bit less these days. Now she has employees to help, and lines out the door are more commonplace.

Most of the original holdouts — the diehard gas station coffee drinkers — who once scratched their heads at people in Kremmling standing, texting and waiting in line for premium coffee have now made Big Shooter a regular stop. There, they discovered, they can still get a nostalgic \$1 cup of coffee, or something a bit more exciting — espresso in nearly any form or maybe even an Electric Fence, a milkshake infused with Dreyers premium ice cream. Plus, as locals will tell you, at Big Shooter you can order one of the most savory bacon and egg burritos in the county.

THE REAL BIG SHOOTER

The Scholls wanted a coffee shop name that captured the rich ranching and western heritage of the area. It didn't take long to figure out. The name Big Shooter and its iconic logo — a gunslinger wielding a cup of coffee in each hand — was inspired by the local culture and Stephanie's husband Shawn. A third-generation rancher, born and raised in Kremmling, Shawn once cycled semi-pro for a team called "The Shooters." Unusually tall for a cyclist (over 6 feet tall), he earned the nickname Big Shooter — a moniker that stuck. The name perfectly suited the Scholls' new venture. The coffee shop's color scheme — southwestern inspired — just made sense once they settled on the name Big Shooter.

SO WHAT'S IT LIKE OWNING A COFFEE SHOP?

"Busy, these days," Stephanie laughs. "Busy — good. Honestly, owning a coffee shop is a

YOUR CO-OP NEWS

lifestyle. It's 6:45 in the morning until 4:30 in the afternoon 364 days a year. We close for Christmas. To succeed, you have to care about people, you know? Genuinely care. Usually, when a customer stops in for coffee I strike up a conversation with something simple like, "So what brings you to town today?"

"I'm on vacation," is one common reply. Or, "Just traveling through town." Or, "Checking out the area." Or, "Just looking for local hiking trails or a good fishing spot."

You couldn't find a better coffee house to ask about local outdoor recreation opportunities: Kremmling's nickname is, after all, "A Sportsman's Paradise." And Shawn is a former decathlete, with a road bike racing, rowing and Nordic skiing background. Stephanie has a Nordic skiing and trail-running background. Then, of course, there's the kids: Tabor and Ty. Tabor is a West Grand High School grad, an all-American cross-country runner in her junior year at the University of Colorado, who finished 15th in the nation this past year. And Ty, a senior at West Grand High School, has his own credentials in national steeplechase

running events. Perhaps no other family in the area has spent more time outdoors over the past couple of decades.

But sometimes customers come to town for other reasons.

Like the elderly gentleman who stopped in the day that he lost his wife to cancer. He stopped at Big Shooter, he said, because he didn't want to be alone, and the people there were friendly. And that day, of all days, he said that he needed a friend.

"That meant so much to me," Stephanie recalls. "Hearing that. Just being able to be here for someone. It reaffirms the importance of trying to make a difference in each customer's day, of being something more than just a good cup of coffee."

The anecdote is just one of many meaningful interactions over the years — encounters over coffee, more powerful than any caffeine buzz.

And, truth be told, it's these slices of life that give Big Shooters a larger sense of purpose amidst the daily grind in Kremmling, Colorado. *[Pam Howard, ACCT 1022925]*



February 2019

Energy Efficiency

Tip of the Month

LAUNDRY TIP:

Dry towels and heavier cottons separately from lighter-weight clothing. You'll spend less time running the dryer for lighter-weight items, which saves energy.

Source: energy.gov



Local Chef SPOTLIGHT

NAME:

Chef Josh Butler and owner Michael Patrick

RESTAURANT:

THE SMOKEHOUSE BBQ

78656 U.S. Highway 40, Winter Park
970-722-0227
www.wpsmokehouse.com

HOURS:

Sunday – Thursday, 11:30 a.m. – 9 p.m.
Fridays and Saturdays, 11:30 a.m. – 10:00 p.m.

SPECIALTY:

Casual, family-friendly barbecue

COOKING TIP FOR MPE READERS

Fruitwoods like apple and peach tend to give a lighter, sweeter smoke, while hardwoods like pecan or oak have a heavier, nutty flavor. Try using combinations of different woods!

GET THE SMOKEHOUSE BBQ'S SMOKED CHICKEN WINGS RECIPE AT: www.mpei.com/ccl_bonus_features