

MOUNTAIN PARKS ELECTRIC'S DEMOCRATIC PROCESS, REGULATION, TRANSPARENCY & FIBER-OPTIC BACKBONE INVESTMENT



TOM SIFERS, GENERAL MANAGER

Recently, a few people have raised questions about Mountain Parks Electric's democratic process, regulation, transparency and fiber-optic backbone investment. The answers, I believe, are illustrative of what differentiates a member-owned, locally-controlled, not-for-profit business versus for-profit businesses. This is important, I think — important enough to share with all of you.

DEMOCRATIC PROCESS

MPE's board of directors consists of seven people. They are all local residents, living in and representing distinct areas throughout our service area: Fraser and Winter Park, Granby, Grand Lake, Kremmling, Hot Sulphur Springs and Walden. Like you, they are all consumer-members. They all have a local residence and pay a Mountain Parks Electric bill. They are all chosen through an election process that is open to all of MPE's consumer-members. MPE's board consists of Peggy Smith, Dick Zieff, Liz McIntyre, Jeff Hauck, Justin Fosha, Carl Trick and Mark Volt. Whether setting electric rates or approving a fiber-optic backbone to improve our service to you, they govern MPE while keeping in mind the best interest of the membership that they were elected by and represent. (*Elysia Clemens, ACCT 1025665*)

REGULATION

Mountain Parks Electric is not regulated by the Colorado Public Utilities Commission (PUC) to the same extent that investor-owned utilities are. The PUC approves electric rates established by for-profit, investor-owned utilities (such as Xcel Energy and

Black Hills Energy) that earn money for their investors through electric sales. The PUC does not have rate regulation authority over electric cooperatives like MPE. Due to differences in population density and terrain, Xcel and BHE earn three to five times the revenue MPE does for each mile of service. This explains why MPE's cost to serve each customer (collected through the monthly service charge) is higher than urban utilities. The fact is, it costs more to provide electric service in the mountains, even when it is delivered and sold by a not-for-profit utility like MPE.

Mountain Parks Electric is member-owned, not investor-owned like Xcel and BHE. Its governance is exercised by democratically-elected consumers who pay a MPE electric bill. Its board of directors has a vested interest in setting fair and equitable rates. Electric rates that they establish affect the locality in which they live and also affect them personally. It is this democratically elected board that regulates MPE's rates. Our directors are not establishing electric rates that earn money for investors. If they were, oversight from a disinterested party like the PUC would certainly be justified. Instead, our directors are simply attempting to cover MPE's operating costs through our electric rate structure with a margin for contingencies (like lower-than-expected energy sales due to an unusually warm winter). Margins we earn from electric sales are later returned to MPE's consumer-members.

TRANSPARENCY

MPE is transparent in much of its business operations.

The Mountain Parks board has a vested interest in setting fair and equitable rates.

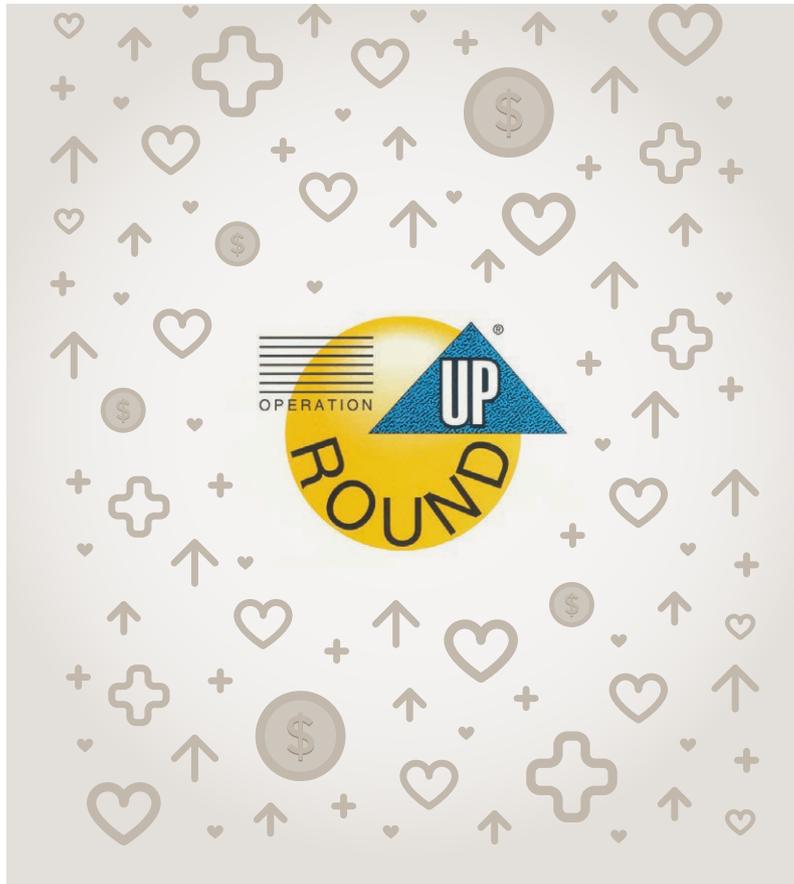
It is transparent in how it conducts board meetings. At monthly board meetings, during the public comment period, MPE's consumer-members may address the board directly with any concern about their electric service or the board's governance. At monthly board meetings, the public can also observe the board's discussion and deliberation on issues affecting MPE, and observe how the board votes on policy and budgeting issues.

MPE consumer-members can also contact their local board representative directly, outside of monthly board meetings, to discuss their concerns.

MPE is also transparent by conducting an annual meeting — open to all members — once a year (May 11 this year) at its Granby headquarters, where consumer-members can ask questions directly or state their concerns to the MPE Board of Directors and general manager.

Additionally, MPE is transparent in providing various financial and operational information to its members and to the general public. This information is available upon request and some is available on our website at www.mpei.com.

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Want to make a difference locally?

Round your electric bill up to the next dollar to help those in need. Operation Round Up has distributed more than \$1 million locally.

(Matt Dorn, ACCT 1026706)



MOUNTAIN PARKS ELECTRIC, INC.

Your Touchstone Energy® Cooperative



Sign up today at MPEI.COM

PETS OF THE MONTH



A pair of well-dressed hounds, owned by Patty Rodgers

WAYS TO \$AVE

BY LINDSAY MCCANN
BILLING SUPERVISOR

A SPRING CHECKLIST

Energy-Saving Tips

- Check for winter storm damage of siding and shingles, or cracks in caulking that may be letting in outdoor air, or letting out heat you're paying for.
- Verify your hot water heater is still running efficiently.
- Clean the grill. Get ready to start cooking outside.



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.

Mountain Parks Electric awards more than \$30K in renewable energy rebates to locals in 2018

Mountain Parks Electric, through its Green Power Program, rebated \$34,260 to its consumer-members who installed local renewable energy systems in 2018. “It gives us great pride to be able to continue greening up the local power supply through this program,” said Tom Sifers, Mountain Parks Electric general manager. In addition to the rebates that MPE offers through the Green Power Program, it also purchases renewable power from Granby Dam and the town of Grand Lake’s micro hydropower recovery system. “Later this year, we also plan to purchase generation from a 1-megawatt solar array that will soon be built in Jackson County,” Sifers said. “It should generate enough electricity to power another 300 homes.”

At present, MPE’s overall power supply is 33 percent renewable and growing, thanks in part to the rebates that MPE offers through its Green Power Program.

MPE provides electricity to all of Grand and Jackson counties and parts of Larimer, Routt and Summit counties — about 4,000 square miles in total. Any MPE member installing a new renewable energy system



Granby’s Ryan and Justin Fosha, beneficiaries of MPE’s Green Power Program, pose in front of the 24.8-kilowatt solar array at their family ranch.

— solar, wind, biomass, etc. — is eligible to apply for the Green Power Program rebate. The maximum rebate available for residential systems is \$2,000, and up to \$8,000 for businesses and organizations. A five-person volunteer committee (comprised of MPE consumer-members) reviews rebate applications quarterly and awards the funds.

The Green Power Program is voluntarily funded by more than 1,200 MPE

consumer-members, approximately 7 percent of the total consumer base. Contributors donate anywhere from \$1 to \$100 per month, an adder to their monthly MPE electric bill. Since 2011, MPE, through this program, has rebated more than \$170,000 to its members installing renewable energy projects.

More information: www.mpei.com/content/green-power-program-history-stats



High-Country Outdoor Life Tip

from Power World in Granby
www.powerworldsports.com
 970-887-9337

HEADED TO THE BACKCOUNTRY FOR SOME SNOWMOBILING?

Check the avalanche danger first (at avalanche.org or avalanche.state.co.us). Then, be sure to gear up properly, check your machine and never ride alone. Don’t forget to stop by Power World. We’ll help you maximize fun on all of your local outdoor adventures.

MPE's democratic process, regulation, transparency & fiber-optic backbone investment, continued from page 7

This includes MPE's bylaws, our annual report, tariffs, Rural Utilities Service's Form 7 (Income Statement and Balance Sheet), Form 990, our independent auditor's report and our board meeting agendas and board minutes.

As with every organization, even a not-for-profit utility, not all information is made public. This is because some information is proprietary in nature. Other information, like MPE's recent cost-of-service study (which is one tool MPE uses in evaluating rate adjustments), is business-sensitive. The reason that business-sensitive information is not released to the public is because it includes confidential information such as trade secrets, acquisition plans, financial information, customer information, etc.

FIBER-OPTIC BACKBONE INVESTMENT

Lastly, MPE is continuing to pursue its fiber-optic backbone investment. MPE is making this investment to, one, improve internal

communications; two, better manage the electric grid and; three, attract and open the door for third-party broadband providers to come into our area and provide high-speed internet service. This is an investment in the future at a time when MPE's data needs continue to grow and an increasing number of smart-grid technologies that allow utilities to control power costs, both for MPE and MPE's membership, are coming to the market. Some of these technologies will require broadband or Wi-Fi capabilities. This investment is comparable to building an electric substation. You don't build a substation to serve only existing electric customers. You build it to serve existing and projected customers for the future. That is our plan in building the fiber-optic backbone.

We welcome your feedback and participation in our member-owned and -governed electric cooperative. Please contact us if you want to discuss these issues further. Or, you can simply provide feedback by participating in our online survey at www.mpei.com/content/mpe-member-survey.

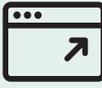
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WEBSITE:
mpei.com



Local Chef **SPOTLIGHT**

- NAME:** Chef Rhonda Bromberg, owner
- RESTAURANT:** **STRIP & TAIL**
778259 U.S. Highway 40, Winter Park
970-363-7047
www.stripandtail.biz
- HOURS:** 3 – 9 p.m. daily
- SPECIALTY:** Seafood & steak

COOKING TIP FOR MPE READERS

When cooking salmon, pan sear both sides evenly instead of baking. Pan searing will make your salmon moist, tender and flavorful without creating an overbearing fish taste. *(Jason Munoz, ACCT 1027910)*

GET THE STRIP & TAIL'S BUFFALO CHILI RECIPE AT: www.mpei.com/ccl_bonus_features