

A CHALLENGING YEAR FOR ALL

BY REG RUDOLPH GENERAL MANAGER

On December 31, one thing is for certain: This year will finally be coming to an end. To say this year has been challenging for everyone, would be an understatement. COVID-19 has literally turned our world upside down.

I'm very proud of the employees of San Isabel Electric, and how they responded to serving the members this year. As an electric utility, San Isabel Electric is considered critical infrastructure, an essential business, so our operations must not be interrupted. We were able to continue our operations, maintain service, and with the exception of closing our offices to the public, never missed a beat. A remarkable accomplishment considering how quickly the world shut down.

For the last six years every December, it has been my pleasure to write this column and confidently tell you to not worry about rate increases in the next five years. This year, I'm struggling with signaling rate stability, because we may need to adjust the rate structure. The last thing I want anyone to worry about during these challenging times and around the holidays, is worrying about how they're going to keep the lights on.

The member-owners of San Isabel Electric have told us their two highest priorities are reliability and affordability.

Affordable electricity is so critical to our economy. Since I became CEO in 2008,

we have cut operating expenses while improving system reliability, placing great priority on doing more with less. This has been no small task over the last 12 years, amid rising costs and declining economic growth. We have tried our best to communicate both these savings and infrastructure upgrades to you on a consistent basis

Since 2009, we've only increased rates once, and maintain a strong sense of pride when we can hold rates flat year after year. Our board of directors has been clear on the importance in delivering rate stability. Even though San Isabel faced an uncertain financial position early in the year, we're slowly recovering and anticipate making it through the year without a loss.

Most people don't look at how their bill is calculated, only what it costs. For a residential member, the bill is made up of two components, an access charge, which recovers a portion of fixed costs, and an energy charge for power costs and other variable costs. Over decades, how costs have been allocated and recovered have gotten out of balance. In the coming years, San Isabel has no choice but to begin a process of rebalancing our rates. The average member will see little change in his/her bill. Those with little or no usage will see an increase, while those users with high usage and bills may see a decrease.

Over 80% of our members will see little change in their bills, while a small



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percentage will see an increase. This rebalancing of bills is required to maintain equity for all members and to equitably serve all members, which is why a co-op exists. We will have solutions for members who may be negatively impacted by any rate adjustment.

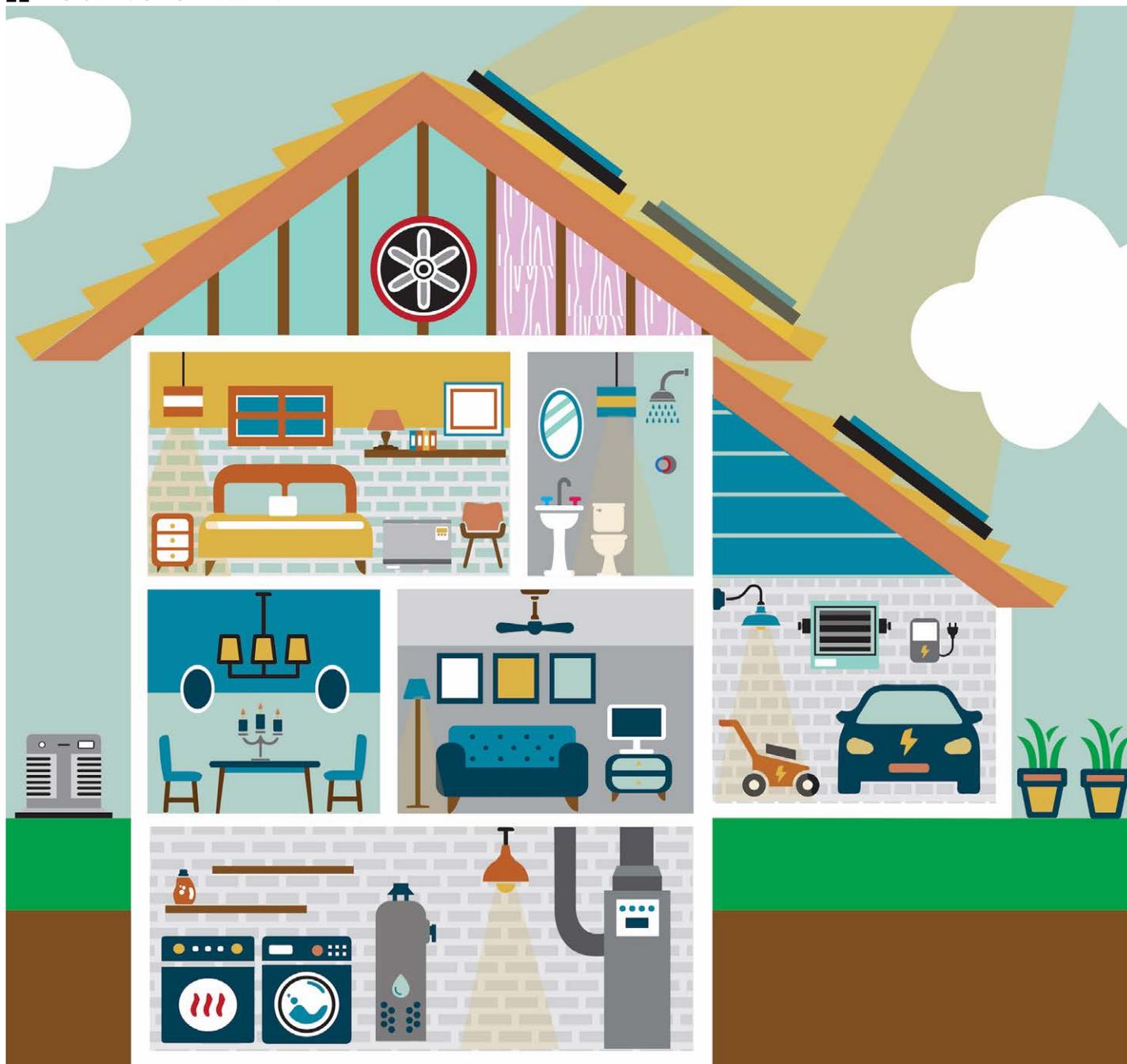
"It's not what happens to you, but how you react to it that matters." This statement came from Epictetus, a Greek philosopher who believed we have no power over external forces, and that good can only be found within ourselves. It's not hard to find wisdom in that philosophy when I look back at this year, with so much of it out of our control that we just had to face it head-on.

For 2021, we will continue to face the uncertainty of COVID-19. Affordability will continue to be our focus. The employees feel a duty to constantly strive to provide more and better service to you, the member-owners. Despite 2020 being a challenging year, we reacted to it head-on, with a positive attitude and will finish strong. I thank you for your continued support of San Isabel's success. Have a great Christmas holiday and stay safe and sound. We WILL keep the lights on!

MY HOME
makes power affordable.

empower
BY SAN ISABEL ELECTRIC

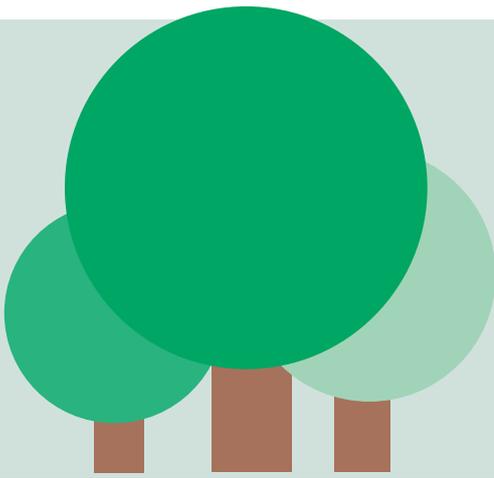
siea.com/empower



HOW TO PREPARE YOUR HOME FOR WINTER OUTAGES

Winter can be a beautiful time of the year with white snow and sparkling ice, but that same winter weather can also wreak havoc on communities. It can cause roads to be treacherous, schools to be closed and sometimes your power to go out.

On the next page are some steps that need to be taken long before a storm is forecast to help keep your family safe and comfortable during winter.



Time to prune your trees

Snowstorms, ice storms and windstorms can all cause trees to fall on power lines or cause the wires themselves to be knocked down.

San Isabel Electric is responsible for clearing vegetation in our easements. **Call SIEA right away at 800-279-SIEA if you have concerns about vegetation near power lines and to have SIEA tree trimmers assess the situation.** Calling immediately can help keep you safe, prevent an outage and prolong the life of the tree.

If there are tree limbs threatening power lines outside of our easements, a tree-trimming professional can be called in, at the property owner's expense.

Prepare an emergency kit

A good way to start your planning is to put together a home and travel emergency kit. **For a list of suggested items to include in emergency kits for your home and vehicles go to ready.gov/kit.**



Take the time to winterize your home

Consider signing up for a free Empower energy audit. Empower is San Isabel Electric's new energy-saving products and services program.

During the free Empower energy audit, an energy services specialist will do an in-person or virtual walk-through of your home or business and advise energy saving opportunities after assessing your:

- last year of electric usage
- insulation
- window quality
- age of appliances
- types of lighting
- potential air leaks
- HVAC system

The specialist may also discuss alternative power generation options, such as back-up and solar power generation if interested.

Improving any of these things can add up to big savings and keep you and your family more comfortable throughout the cold-weather season.

More than 30 cash rebates are available for specific energy efficiency upgrades, available exclusively for San Isabel Electric members.

To request a free Empower energy audit, or to learn more about the Empower program and rebates go to siea.com/empower, email empower@siea.com or call 719-647-6250.

Know how to report outages and get updates

Power outages are inevitable, and it is important to be prepared for when they do happen. Outages can be reported by calling 1-800-279-SIEA (7432) or by using SmartHub, the co-op's account management app. Once an outage is determined to be affecting more than 100 meters, outage status updates are posted at siea.com to keep you informed of restoration progress. Updates are posted every two hours, between the hours of 7 a.m. and 10 p.m., until power is restored.

Members can find out if the co-op is aware of their outage by checking the outage map, which is available through the SmartHub app and at siea.com.

SIEA is currently conducting a survey to help improve the communication of outage status updates. To participate, please go to siea.com/outagesurvey. They survey will close January 31, 2021.

DON'T MAKE A \$400 MISTAKE

Don't cut the seal

Don't make a \$400 mistake. Call San Isabel Electric before having any electrical work done on your meter. If your wire meter seal is cut or removed by anyone else except San Isabel Electric — even a contractor — it will cost you \$400 or more.

It is free to schedule a temporary disconnect that occurs during business hours. There is a charge if an SIEA employee needs to de-energize a meter after hours, except for emergencies.

Broken meter seals could lead to legal action, a bad credit rating and potential loss of electric service for the member whose meter shows signs of tampering.

Accidental electrocution, electrical fires, explosions and death are other more serious potential repercussions from breaking the seal. These can be much more costly than the financial or legal consequences.

SIEA encourages everyone having electrical work done to ask themselves if saving a little time or money is worth any of those risks.



WARNING



DO NOT CUT THIS SEAL.

Tampering with this meter seal is dangerous and illegal. Offenders will be subject to cash fines, damages, and prosecution.



Meter seals are a safety precaution, but they also prevent others from stealing electricity. Electric meter tampering and diversion of electricity are crimes that can lead to arrest and conviction.

Electrical work such as replacing your breaker box, upgrading your service to add more breakers or power, and adding solar power or stand by generators are just a few common tasks that require an SIEA employee to de-energize the meter.

Regardless of what the contractor or anyone else says, the member is liable for the \$400 tampering fee that is assessed when meter seals are cut, or absent.

Anytime a member is planning to hire a contractor or to do electrical work themselves involving the meter, the member needs to call SIEA at 800-279-SIEA, so SIEA can de-energize the meter, work can be safely completed and power can be safely restored.

Most electrical work requires an inspection prior to re-energizing the meter. Members should coordinate the inspection so that any power disruptions are minimal.

A list of inspectors, as well as contact information, is available from your local government's building or zoning department.

In recent years, SIEA has seen an increase in broken meter seals. Due to the potential dangers, the co-op is increasing

outreach and education to remind members of the physical dangers of cutting the seal, and the \$400 charge if the meter seal is broken, tampered with or missing.

"The 120/240 voltage in the meter is deadly. We don't want to charge a tampering fee. But we really don't want to get a call that someone was killed or seriously injured because a meter box was tampered with. The \$400 charge is the lesser of two evils," SIEA Chief Engineering and Operations Officer Darryl Stewart said.

The co-op's increased outreach education efforts include:

- Stickers placed on new meters beginning in late 2020.
- Email warning notices sent to all members with an email address on file.
- On-bill notices warning of fines associated with cutting the seal.

"Most of the time it's not licensed contractors that are cutting the seal. Licensed contractors are putting their licenses in danger by cutting the seals. It's usually a friend, family member or someone that was hired by word of mouth, without a license — those are the one's that we see most often cut the seal, and the member gets stuck with the fine," Stewart said.

Not even an experienced electrician has permission to remove the meter seal.