



Manager's report

Rate increase in near future

BY JASON BROTHEN

At the last two annual meetings, President Allen Thiessen spoke about the probability of a rate adjustment. The staff of Lower Yellowstone Rural Electric Cooperative (LYREC) has been working on a new study that allows us to look at every rate class in detail. It allows us to analyze the information to ensure that we have the right rate strategy in place for the cooperative.

For the past 25 years, LYREC has held the rates steady regardless of the fluctuation in the energy market. The board and staff of LYREC work tirelessly to ensure we are providing safe and affordable power to our membership. Basin Electric Power Cooperative, our power supplier, has done a wonderful job in those 25 years to make adjustments at the generation level so the member at the end of the line does not see the impact.

At a national level, our power supply is changing, and no one is

immune to the changes. There is a push for new technology, new infrastructure, new energy policies, and all of this plays into how we operate the cooperative and deliver power to you.

Over the past few years, we have seen an increase in costs associated with the energy changes. Basin Electric also had a "perfect storm," where the 138 member cooperatives sold less electricity than anticipated. Another factor is the decline of surplus sales to non-members. Also, revenue from Dakota Gasification Company (DGC), a non-electric subsidiary of Basin, lagged because of historically low natural gas prices and reduced sales of products from the plant. DGC has historically kept electric rates lower for Basin from the revenue it produces.

This has come at a time when Basin is making necessary upgrades in generation and transmission primarily in our area and throughout the Basin

Electric territory. Basin Electric has to spend more for additional environmental controls required by the Environmental Protection Agency (EPA) and it is possible that more mandates could be coming if the Clean Power Plan survives in court. These factors forced Basin Electric to make rate adjustments. In 2015-2016, the wholesale power rate increased 8 percent. In August, Basin added a 13 percent increase, for a 21 percent total increase in the past two years.

Power costs for LYREC are around 70 percent of our total costs. Fortunately for us, we have a good mix of residential, rural, industrial and commercial accounts that help give us some stability with the rates. Unfortunately, after 25 years of holding the rates steady, we cannot absorb the power cost increases any longer. LYREC is planning a rate increase in early 2017. (Meter No. 22777) ■

LYREC BOARD AND STAFF WISH YOU A MAGICAL HOLIDAY SEASON!

LOWER YELLOWSTONE'S OFFICE WILL BE CLOSED DEC. 26 AND JAN. 2.



Kelly, Lee and Skye Alvstad enjoy their creative time together. They are the proud owners of The Shoppes at Peifer's General Store.



A glimpse of the unique custom furniture that will be available at The Shoppes.

New shoppes in Sidney

Kelly Alvstad is a small-town girl with big-time dreams. She grew up on a farm in Oley, Pa., and has always had a flair for creativity. Alvstad started Peifer's General Store in 2001 and has been showcasing her homemade products and unique custom furniture through her website, social media, area craft shows and fairs.

Kelly moved to Sidney, Mont., after meeting her husband, Lee, in 2008. Kelly and Lee are the proud parents of a spunky "soon-to-be" 4-year old and are expecting another baby in early December.

"Our inspiration to open a store is partly in memory and in honor of our children. We want them to grow up knowing that hard work and dedication is vital to a successful business," Kelly says.

The Shoppes at Peifer's General Store opened with a "Christmas



Homemade bittersweet soy candle.

Celebration” the first week of December. During the holiday season, The Shoppes will have limited-edition ornaments and plenty of holiday treats and drinks for you to enjoy during your shopping experience. Prior to Christmas, the store hours will be Wednesday through Sunday. The Shoppes will be located on the corner of Seventh and Lincoln.

“Sidney residents have voiced their need and want of a unique store not found in Richland County. We are striving to meet that demand by incorporating several vendors into one cooperative-inspired Shoppes,” Kelly says.

You will find custom furniture, homemade soy candles, antler art, pottery, barn wood gifts, pallet art, chalk paint/supplies, baby car seat covers, wooden growth boards, amber teething necklaces and so much more. Kelly states, “There is something for everyone!”

“We are excited to bring others in that are proud of their products and able to display their goods all in one place,” she says. If you are interested in displaying your products at The Shoppe at Peifer’s General Store, contact Kelly via email at peifersgeneralstore@live.com or message her on Facebook at www.facebook.com/peifersgeneralstore. ■

Assistance is available

Are you or someone you know in need of assistance with heating this winter? The Low Income Home Energy Assistance Program is now accepting applications. If you reside in Montana, you can contact Lower Yellowstone Electric or contact Energy Share at 800-227-0703. If you reside in North Dakota, contact Community Action at 701-572-8191.

If you are finding yourself in a financial bind, please pick up an application today. Once you submit your application, it can take up to two months before receiving assistance. Below are the income eligibility criteria for 2016-2017.

Number in household	Annual income
1	\$22,293
2	\$29,153
3	\$36,012
4	\$42,872
5	\$49,732
6	\$56,591

For your application to be processed, you will need a copy of your most recent fuel bill, 12 months of income verification for all persons in the household (wages, Social Security/SSI, veterans benefits, child support, unemployment), proof of current resources (bank statements), a photo ID for all household members 18 years and older, a birth certificate for children 17 and under, and proof of all out-of-pocket health insurance premiums paid by a household member. If you are receiving Supplemental Security Income, you will need your SSI award letter.

Failure to provide all requested information and verification will delay the eligibility determination and may result in application denial.

If you do not fall within these guidelines, but you have an emergency situation and need assistance, please call LYREC at 406-488-1602 or 844-441-5627 for other referrals. ■

Are you looking for money for college in the fall?

Lower Yellowstone Rural Electric Cooperative (LYREC) has two scholarship opportunities.

The Basin Electric Power Cooperative (BEP) scholarship and the Montana Electric Cooperatives' Association (MECA) memorial scholarship applications are available.

To be eligible for either scholarship:

- The applicant or applicant's parent or guardian must be members of Lower Yellowstone Rural Electric Cooperative.
- The scholarship applicant must be enrolled or planning to enroll in a full-time graduate or

undergraduate course of study at an accredited, two-year or four-year college, university or vocational/technical school.

The BEPC and the MECA memorial scholarships are two separate scholarship opportunities. LYREC would like to encourage you to apply for both scholarships.

One applicant from LYREC's service territory will be awarded a \$1,000 scholarship from BEPC.

The \$500 MECA memorial scholarship will be awarded to one applicant in the Northeast District. If the LYREC applicant is awarded the MECA scholarship, LYREC will match the \$500, totaling \$1,000.

To get an application or more

information, contact LYREC or download the application at www.lyrec.com under "My Community" then "Scholarships."

The MECA memorial and BEPC scholarship applications are due Jan. 31, 2017. ■

HIDDEN NUMBERS

If you find your meter number hidden in this issue, it is worth a \$25 credit on your next statement. The meter number will appear within the four Lower Yellowstone Rural Electric Cooperative pages. Give us a call during the month your meter is listed, and claim your \$25 bill credit.

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Operating report

Year to date:	August 2015	August 2016
Total miles energized	2,142	2,073
Total number of meters	6,096	6,127
Kilowatt-hours sold	183,070,301	180,707,711
Revenue	\$17,462,537	\$16,956,747
Total expenses	\$14,117,861	\$14,198,974
Operating margins	\$3,959,472	\$3,551,980



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