

Sheridan Electric Cooperative

LiveWire

Sheridan Electric Cooperative - Medicine Lake, Mont. 406-789-2231

WHAT'S INSIDE?

- Capital credits
- Does the cooperative have my back?
- Statistical report

Meet the incumbents:

Jody Lagerquist has served as director since 2017 District 2



Rob Rust has served as a director since 1992 District 3

Rick Hansen has served as a director since 2010 District 5



Nominating committees set for 2019 elections

District nominating committees

Every year, you have the opportunity to vote for three directors at the annual meeting. The directors serve for a three-year term. The directors whose terms expire this year are District 2 (this includes the area in and around Westby), District 3 (all areas in North Dakota) and District 5 (area from Bainville to Culbertson and north to the Sheridan County line).

There are several steps Sheridan Electric Cooperative follows to help members get on the ballot. First, we appoint a Nominating Committee in each district. These committees are made up of members in each district who are your neighbors.

The committee members wait for potential candidates to contact them to express an interest in the position. These committee members then hold a meeting with cooperative management to deliver the names. These nominations then appear on the printed ballot at the annual meeting.

Nominating committees to meet in July

Each year, Sheridan Electric Cooperative holds nominating committee meetings in three alternating districts. This year, District 2, 3 and 5 will hold elections. Each district's incumbent board member will select a nominating committee for this process.

It is the membership's responsibility to contact the committee members if they have a nomination they would like to see on the ballot.

The current director for District 2 is Jody Lagerquist. This district includes the area in and around Westby.

The committee members for District 2 are Jeff Ekness, 406-385-2331, and Josh Johnson, 406-385-2658.

The current director for District 3 is Rob Rust. This district serves the areas in North Dakota.

The committee members for District 3 are Gene Herman, 701-985-2471, and Dave Reinstad, 701-834-2434.

The current director for District 5 is Rick Hansen. This district covers the areas north of Bainville.

The committee members for District 5 are Rick Davidson, 406-963-2583, and Dave Clark, 406-963-2523. If you have questions pertaining to the district in which you or a possible candidate might live, please contact Sheridan Electric at 406-789-2231.

Being nominated by the committee is one of two ways to get on the printed ballot. If the committees have already met and you would like to get on the printed ballot, you will have to go through the petition process, signed by at least 15 members, delivered to the cooperative five days before the annual meeting. Nominations will also be taken from the floor during the meeting. Please contact Sheridan Electric if you need more information or need assistance with a nomination. ■

Absentee ballots can be obtained

Every year, Sheridan Electric Cooperative has trustee elections as three-year terms expire. Although trustees can be nominated for additional terms, other candidates can also run for the positions.

One component of this process is the absentee ballot process. In this process, a member of Sheridan Electric can vote by proxy if they cannot be present at the scheduled annual meeting.

The process is simple, but has to be requested by the member when needed. Below is the section from the Sheridan Electric bylaws that describes the process thoroughly:

“Absentee Ballots for elections of officers are available upon request. Absentee Ballots will only be issued upon request of a member. Ballots will be mailed to the member no more than 45 days nor less than 15 days before the annual meeting of the members. Absentee ballots must arrive at the cooperative offices no later than five (5) days before the annual meeting of the members.”

We encourage any member of Sheridan Electric Cooperative to use this feature for voting by proxy. Just give Tasha or Jamie a call at 406-789-2231.

Thanks for all of your support. ■

The buck stops with you – capital credits

BY SCOTT WESTLUND

The term, capital credits, is confusing, but simple to explain. Although we have published many articles about this topic, I found some explanations from a neighboring co-op who had explained it differently, and maybe was understood better.

Unlike other utilities, you, as a consumer and a member, own the business.

Sheridan Electric Cooperative operates at cost, collecting enough revenue to operate and expand the business, with no need to raise rates for its distant shareholders. Any money leftover from revenues after all operating expenses are deducted are called margins.

Each year, these margins are allocated, or credited, to the members receiving electrical service, based on the amount of electricity they purchased from Sheridan Electric. In addition to co-op allocations, there may also be generation and transmission (G&T) allocations. G&T allocations are the capital credits allocated to your account from the margins allocated to Sheridan Electric Cooperative from our power supplier, who is also a co-op.

Money allocated back to you and other members is called capital credits. These capital credits are put into a “holding account” for a number of years and used by Sheridan Electric to fund capital needs for items such as power line construction, transformers, trucks, inventory and other equipment. This is an underlying principle of the cooperative business model and is one more way we keep your electrical rates as low as possible.

This “allocation” becomes your equity in the cooperative and is maintained in a separate account assigned to you. When the co-op’s financial condition permits, the coop retires, or pays, the capital credits to members.

This year, Sheridan Electric retired \$1,521,095 for years 2002 and 2003. In addition to these years, we used our early retirement program for years 2010 and 2011. The early retirement program offers a percentage of the total to members who want to retire their credits early. This is an attempt to not only get the money into the members hands sooner, it also stabilizes high margin years for the future. The total dollars paid to members since the start of the cooperative is \$17,193,369. The total yet to be paid out to members is \$27,220,606. ■



Does the cooperative have my back?

BY SCOTT WESTLUND

Does the cooperative, and its board of directors, have my back? This is a question that was asked of me by a longtime member who saw the formation of the cooperative 72 years ago and was involved in the construction of some of the infrastructure you see today.

The name of this member was brought to me during a Sheridan Electric board meeting, where I was informed that this particular board member was involved in a discussion with the member about the high costs of electricity to his home. I was asked to give him a call. Instead, I went for a visit, as this topic is laced with a tremendous amount of information.

I will take this article down the path I took this member, who I found to be an informed individual and one with whom I quickly connected. He is quite a fellow, and I would stop and have a conversation with him at any time, and about any topic.

The opening of the conversation was all about the power generation mix that was once used in this nation and what it is now. In northeastern

Montana, coal and hydro used to be the majority of the portfolio to generate electricity. Now, the portfolio has a mix of coal, hydro, wind, solar and outside purchased power.

Let's define purchased power: Purchased power is power generated from other sources other than from our supplier, Basin Electric Power Cooperative. Although Basin generates electricity, it also purchases power from the outside to offset shortages it may experience while generating your electricity. It may also be noted that this energy costs less per kilowatt-hour than what we pay from our power supplier.

This conversation then took a turn, as this member wanted to know what we were doing to push power generation back to the portfolio mix we had 50 years ago, which was a majority of coal and hydro.

I explained that it was not the renewable generation costs driving up his electric bill, but rather the pass-through costs from our power supplier.

Let me explain further. Going back to purchased power from the outside,

we will find that portfolio mix will have the same generation percentages as our power supplier. To simplify, outside sources generate from the same sources. In essence, no matter where you go, the amount varies little.

Now, the next question should be, "Then why are my power costs so high?"

Taking this conversation to the next level, I explained that our power supplier, Basin Electric Power Cooperative, has a different pricing structure than an outside generator, thus prices will be different and, in this case, higher. Some of the causes for the higher costs are upgrades to coal plants, investments in renewables and transmission infrastructure, and commodity price drops in gas and fertilizer.

Now we come full circle. "Does the cooperative and the board have my back on providing low-cost, reliable electricity?"

Knowing that trust is earned and not given, I told this individual that we will have to re-earn his trust. Come to a board meeting and watch these folks in action as they focus on why they are there for the membership.

This board starts with the membership in mind and ends with the membership in mind. They know why they are there and who put them there. They understand the trust the membership has placed in them to make financial decisions that provide protections to their member-owned business. They are a great nine individuals who understand the roots of the cooperative, the history and vision for the future.

They get it, while some do not.

Did I answer the question thoroughly for this member? Only time will tell. And if there is a trust issue, we will earn this trust again. I am sure of it. ■

Lighting to be given away



In the spirit of efficiency, Sheridan Electric Cooperative is giving away light-emitting diodes (LEDs) each month. Each month's winner will receive 12 new LED bulbs.

So this month, take a moment to complete and mail the coupon. Maybe you'll be this month's lucky winner and save on your energy costs. Good luck. ■

Name: _____

Address: _____

Phone number: _____

Account number: _____

*Congratulations to **GBRW Farms** for winning this month's light bulb giveaway.*



Sheridan Electric Cooperative STATISTICAL REPORT

	March 2018	March 2019
Total miles of line	2,831	2,836
Consumers billed	3,081	3,095
Kilowatt-hours purchased	12,336,028	14,602,239
Kilowatt-hours sold	12,041,059	13,447,046
Average KWH per residential consumer	1,517	1,591
Average bill per residential consumer	\$144.39	\$144
Cost of purchased power	\$617,619	\$683,694
Margins year to date	\$1,406,863	\$1,237,285

LINE DEPARTMENT STATS

	March 2018	March 2019
Weather	19	2
Age or deterioration	1	5
Animals and public	1	6
Power supplier	2	1
Equipment	0	0

SUMMARY OF WORK COMPLETED

	March 2018	March 2019	Year to date
Pole installations	3	3	6
New construction	8,186	96	96
Miles driven	20,163	18,663	52,818
New accounts	2	3	5
Accounts retired	0	0	0

SHERIDAN ELECTRIC CO-OP

Medicine Lake, Mont. 59247
406-789-2231

TRUSTEES

Rod Smith, President Dagmar, Mont.
 Rick A. Hansen, V. President Froid, Mont.
 Rob Rust, Sec. Alkabo, N.D.
 Kerrey Heppner, Treas. Plentywood, Mont
 Alan Danelson, Trustee Scobey, Mont.
 Andrew Dethman, Trustee Brockton, Mont.
 Harlan Skillingberg, Trustee Plentywood, Mont.
 Jody Lagerquist, Trustee Westby, Mont.
 Sherl Shanks, Trustee Brockton, Mont.

EMPLOYEES

Rick Knick Manager
 Riley Tommerup Office Mgr./Accountant
 Scott Westlund Marketing/Member Service Manager
 Jamie Ator Accountant
 Lisa Salvevold Office Assistant
 Tasha Roness Customer Service Representative
 Torie Waller Work Order Clerk
 Kory Opp Line Superintendent
 Bryan Lenz Line Foreman
 Nick Oelkers Staking Tech
 Tim Ereth Operator/Utilityman
 Josh Johnson Electrical General Foreman
 Tom Hinds Electrical Foreman
 Steve Augustine Line Sub Foreman
 Dan Roeder Journeyman Lineman
 Shawn Sansaver Journeyman Lineman
 Josh Marottek Journeyman Lineman
 Josh Ming Journeyman Lineman
 Bill Baillie Apprentice Lineman
 Nolen Drury Apprentice Lineman
 Tristan Ereth Apprentice Electrician
 Rod Luft Warehouse/Utility
 Vicky Haddix Custodian

OUTAGES • CALL 24 HOURS A DAY
406-789-2231

OFFICE HOURS: 7 a.m. to 4:30 p.m.
Monday through Friday

Your Touchstone Energy® Cooperative