

# Beartooth Electric Cooperative

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Members Newsletter • Beartooth Electric Cooperative • PO Box 1110, Red Lodge, MT 59068 • 406-446-2310

## General Manager's Report — By Ron Roodell



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### BOARD OF TRUSTEES

John Prinkki, President  
Red Lodge, District 4  
jep@tctwest.net  
406-446-1231

Allen Nordahl, VP  
Columbus, Rapelje, District 7  
mrbuquerque@hotmail.com  
406-669-3139

Lance Million, S/T  
Roberts, District 3  
millionlance@gmail.com  
406-670-6962

Joe Kern, Asst. S/T  
Fishtail, Nye, District 6  
joeekern@gmail.com  
406-328-4431

Arleen Boyd  
Absarokee, District 5  
arleenboyd@montana.net  
406-328-6645

Roxie Melton  
Boyd, Joliet, District 2  
robertsystop@aol.com  
406-425-2516

Martin Kimmet  
Bridger, Park Co., WY, District 1  
martinkimmet@yahoo.com  
307-645-3160

Ron Roodell  
General Manager  
rroodell@beartoothelectric.com  
406-446-2310

### SOUTHERN, SME, HGS, IESS – WHO ARE THEY?

Although I've addressed the above acronyms in the past, recent conversations with members incited me to address them again. When visiting with members, there seems to be a lot of confusion about who these entities are and what their function is.

#### Southern

Southern is the short reference for Southern Montana Electric Generation and Transmission Cooperative, Inc. Another reference you will see a lot is Southern Montana Electric G&T. Southern is the entity from which Beartooth Electric Cooperative (BEC) purchases the power that it distributes to you. They are BEC's wholesale power provider. Southern was created in 2003 by the five member electric distribution cooperatives (BEC, Fergus Electric, Mid-Yellowstone Electric, Tongue River Electric, and Yellowstone Valley Electric) for the purpose of securing power supply to meet the forecasted loads of all five cooperatives. Prior to 2003, these five distribution cooperatives were members of Central Montana Electric G&T Cooperative. Not long after its formation, Southern was approached by the City of Great Falls to secure the long

term power supply needs of the City, its various departments, the Great Falls School District and other potential customers with business or industrial operations in the Great Falls area and elsewhere. The City subsequently assigned its power purchase contract with Southern and contracts with its retail electricity customers to Electric City Power, a not-for-profit municipal corporation. So, Southern currently provides wholesale power to five distribution cooperatives and a municipal utility.

#### SME

SME is the acronym for SME Generation and Transmission Cooperative, Inc. You will also see SME referred to as SME G&T. SME is the entity that was created in 2008 by the four member distribution cooperatives (BEC, Fergus, Mid-Yellowstone, Tongue River) in Southern that wanted to continue with the pursuit of building an electric generation facility. The tangible and intangible personal property assets of SME and about 197.7 acres of underlying real property, which were acquired or developed in connection with the proposed Highwood Generation Station facility, have been conveyed to Southern. SME remains the owner of some real property and other assets not associated

with the generation facility, and maintain its own set of financial records. Neither the City/ECP nor Yellowstone Valley Electric Cooperative ("YVEC") is associated in any way with SME.

#### HGS

HGS is the acronym for Highwood Generation Station. The HGS project commenced in 2004, under the Southern umbrella, with all five electric distribution cooperatives participating in the project. The City of Great Falls also made an initial investment in the project when it was proposed to be coal-fired. When the Federal government made the decision to discontinue funding for new generation facilities, through USDA's Rural Utilities Service (RUS) program, YVEC dropped out of the project, and about the same time Great Falls announced it would invest no more in the project. Since that time, the project has transitioned from a 250 MW coal facility to a 120 MW natural gas combined cycle combustion turbine facility. HGS is being constructed in two phases, with Phase 1 (40 MW) currently under construction. HGS is being constructed about 8 miles

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# CONGRATULATIONS!

## BEC ANNOUNCES 2011 SCHOLARSHIP WINNERS

Beartooth Electric Cooperative's Scholarship Program seeks out those well-rounded students in our service area who are dedicated to making a difference in the world around them.

Applicants for the scholarship must be high school seniors enrolled or planning to enroll in a full-time course of study at an accredited two-year or four-year college, university or vocational/technical school.

Scholarship recipients are chosen based on a combination of SAT/ACT scores and overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals, a written recommendation by a third party and a written essay.

This year, ten area students have been selected to receive a Beartooth Electric Cooperative \$1,000 Scholarship.

Monies for these scholarships are provided through the cooperative's "Unclaimed Capital Fund." These funds are patronage capital monies that have gone unclaimed when attempting to return them to cooperative members. Unclaimed patronage capital monies are retained for a period of five years after which they become part of the Unclaimed Capital Fund Scholarship.

BEC general manager, Ron Roodell stated, "Beartooth Electric Cooperative believes in educating today's young adults. Helping today's students achieve their academic goals is a great investment in our future."



Marcie Bauwens  
Fromberg High School



Dillon McClure  
Absarokee High School



Jake Bare  
Reed Point High School



Colt Milton  
Joliet High School



Kevin Denney  
Bridger High School



Lauren Mullaney  
Red Lodge High School



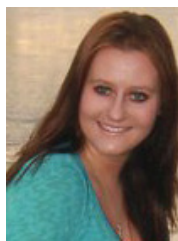
Alyssa Hahn  
Rapelje High School



Shyanne Smith  
Powell High School



Kelsey Kessner  
Roberts High School



Jaymi Wegner  
Columbus High School

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outside of Great Falls. Neither the City/ECP nor YVEC are participating in development of HGS.

### IESS

IESS is the acronym for Independent Electric Supply Service, Inc. IESS is a for profit, taxable, Montana business corporation. The shares in IESS are owned by SME. IESS is governed by a Board of Directors, none of whom sit on either the Southern or SME boards. SME and IESS will share some employees on a part-time basis, but IESS will operate

independently of both SME and Southern. IESS has been formed as a "competitive electricity supplier" as the term is defined in Montana law, and its initial task will be to propose providing retail power supply and ancillary services to those customers of ECP whose power supply contracts begin expiring as early as June 2011. IESS will contract for power with wholesale power suppliers—which may include Southern-- and have the ability to provide power supply to any retail customer that timely elected "choice" and is seeking an alternative electricity supplier.

### HIGHWOOD GENERATING STATION (HGS) UPDATE

Work taking place during April and May includes installation of remaining foundations, installation of above ground piping, continued installation of electrical, complete installation of stack, complete installation of control room equipment and complete landscaping efforts at entrance to HGS.

There have been as many as 90 workers on site at one time during construction of HGS. This project is putting a lot of people to work. The schedule for commercial operation of Phase 1 remains mid-August.

### WHAT'S GOING ON @ BEARTOOTH ELECTRIC

By Thad Moseman, Engineering Manager

Spring is in full swing at BEC. The Cooperative Crews are working on new service installations, spring clean-up and work plan projects.

New Services include an addition for Montana Rail Link and two upgrades at Special K Ranch in Columbus. In Roscoe, crews worked with the Brandt family replacing an aged overhead power line with a new underground service. And our system continues to grow with the installation of several new irrigation and residential services.

During the long, hard winter and heavy spring time snow storm restoration efforts, crews identified problem areas now being upgraded with new line and provisions to curtail future problems. Look for your crews in the Reed Point area conducting pole change outs to keep our system strong. While system wide, tree trimming and right of way work continues with system Line Patrol. This is an area where all members can help. If you see anything that might interfere with power lines or pose a serious threat-let us know. You could even win a one month base charge. See our new *Look Up On Your Lines & Report Trouble Signs* member contest on Page 6.

# YOUTH TOUR 11



BEC Board Vice President, Allen Nordall presents Mikaela Marsh the BEC Youth Tour 2011 Certificate

What makes electric cooperatives different from other utilities? “Giving back to the community” is part of their business plan. The Electric Cooperative Youth Tour has brought high school students to Washington, D.C. every June since the late 1950s. During this time, over 40,000 students from rural areas and small towns across America have participated in this unique program. This year, BEC proudly sponsors Mikaela Marsh, Rapelje High School for Youth Tour 2011. Congratulations Mikaela!

## Happy Trails... Margo Mains Retires after 29 years at BEC



Margo Mains

Office Manager, Margo Mains began her career at BEC in 1982, as a billing clerk. A few years later she stepped in behind retiring Eva Beitel, as Office Manager.

Margo’s duties at the cooperative included maintenance of the employees’ human resources, preparation of the financial statements, retirement of capital credits, customer service interaction, and an array of other duties too numerous to mention. Throughout her years of service with the cooperative, Margo gained a personal repore with many of the cooperative members and knows the majority of our members by first name.

Margo’s kind heart and loving nature gained her a high level of respect and admiration from all of the cooperative employees. Margo has always been ready and willing to help others, both in the office and in their personal lives.

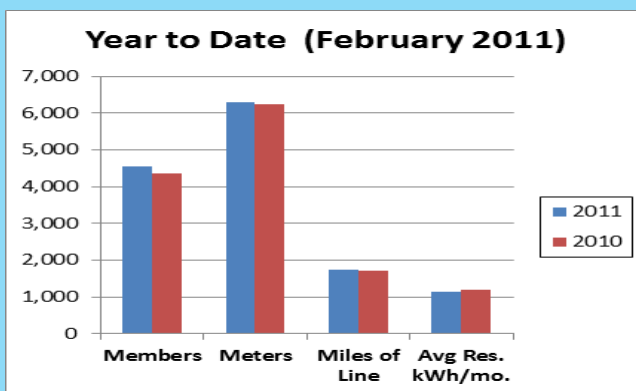
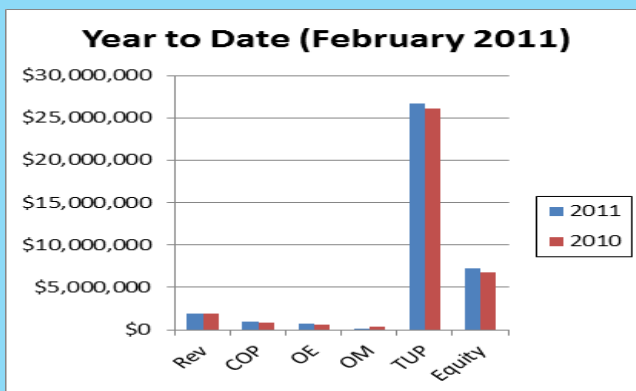
Margo—we thank you for your dedicated service for 29 years and wish you the very best in your retirement. Enjoy the best of times with those you love most—your three children—Sara, Shawn and L.J., three grandchildren Cash, Cade and Isabella and your numerous dogs, horses and cattle. Happy Trails!

# BOARD ROOM REPORT

The Board of Trustees held their regular board meeting on April 29, 2011. Action items included:

- Approved Financial Report (RUS Form 7) for February 2011
- Approved Mutual Aid Agreement for emergency assistance by other electric cooperatives
- Approved \$20,000 for “Unclaimed Capital Projects” – Luther, Reed Point, Columbus
- Review of 2010 IRS Form 990
- Amended Billing & Collection Policy, Reviewed Disconnections & Reconnections and Extension of Credit Policies.

*Financial Summary: (Abbreviations) Rev – Revenue, COP – Cost of Power, OE – Operating Expenses, OM – Operating Margins, TUP – Total Utility Plant. Note – 2009 includes wholesale power surcharge.*





## LOOK UP ON YOUR LINES & REPORT TROUBLE SIGNS

What has 24 employees, 2.53 members per mile and owns 1,726 miles of rural power line? Beartooth Electric Cooperative, Inc. And we need your help. Come join the Look Up on Your Lines & Report Trouble Signs contest—Be our eyes out in the community—If you notice anything that might interfere with power lines or pose a serious threat—send a photo, call or email us with the following information and you may WIN one free month base charge\*.

### The RULES:

1. The power line “trouble sign” must be located on BEC distribution lines. (Power lines originating from the BEC substation to a BEC meter).
2. Describe the power line “trouble sign” in detail. (i.e., tree on line, bird’s nest, loose line or equipment, etc. No self created trouble is a valid entry. However, is prosecutable.)
3. Describe the power line “trouble sign” location in detail. (i.e., physical address, road, mile marker, etc.).
4. Provide your name, BEC member account number and contact information.
5. All “trouble signs” entries will be verified and reported on a monthly basis.
6. All verified power line “trouble signs” will be eligible for the monthly random drawing of one free month of residential base charge. In the case of a duplicate entry, only the first entry will qualify for the monthly and Grand Prize drawings.
7. Monthly a listing of submitted power line “trouble signs” will be published in the Rural Montana magazine and on the BEC Web site ([www.beartoothelectric.com](http://www.beartoothelectric.com)).
8. The one month residential base charge prize will be credited to your BEC account.
9. The contest will run from June 1, 2011 through August 31, 2011.
10. Three one month residential base charge prizes will be awarded.
11. All power line “trouble signs” entries will be eligible for the Grand Prize to be awarded at the BEC Annual Meeting, September 24, 2011, Roberts High School.
12. There is no limit to the number of entries.
13. See the complete list of Rules & Regulations at [www.beartoothelectric.com](http://www.beartoothelectric.com).

\* one month residential base charge (\$33.00) credited to your account.



## BEC BOARD APPOINTS MARTIN KIMMET DISTRICT 1 TRUSTEE

Martin Kimmet of Clark, Wyoming has been appointed by the BEC Board of Trustees to fill the vacant District 1 seat formerly held by Curt Peters in accordance with Beartooth Electric Cooperative, Inc. Amended Bylaws, Article IV-Board Members, Section 5. Vacancies. He has been a member rural electrical cooperatives for over 20 years and a member of BEC for 11 years.



Martin Kimmet, Trustee, District 1

Kimmet is born a third generation Montanan, involved with agriculture his entire life. “Rural Electric Associations have supplied

my power needs during this entire time (entire life) and I am committed to their mission,” stated Kimmet. “I have been a member in this district (District 1) for the past eleven years and am aware, as we all are, of the misunderstandings of this part of the district. I feel that my presence on the board would be beneficial to this district and to all the members of our cooperative,” he continued. “I realize that the board has many challenges ahead in this volatile time and I look forward to helping solve them.”

## Announcements

- BEC has identified the need to align meter read dates with our G&T billing date. Therefore, beginning in June, BEC will move the meter read date forward two days each month through September. There will be no meter read in October and beginning in November, meter reads will take place on the 1st of each month. Please note the meter read date schedule:
  - JUNE 22 (33 days)
  - JULY 24 (32 days)
  - AUGUST 26 (33 days)
  - SEPTEMBER 28 (33 days)
  - NOVEMBER 1 (34 days)
  - The 1st of every month going forward.*(Special note: Irrigation accounts will move to the 1st of the month read dates beginning April 1, 2012)*
- BEC New billing statement, e-Bill and on-line payment options coming in JULY 2011!
- WIN one free month of base charge fees\*. Send a photo, call or e-mail BEC with information regarding anything that might interfere with power lines or pose a serious threat.  
E-mail: [bec@beartoothelectric.com](mailto:bec@beartoothelectric.com)  
Phone: 406-446-2310 or 800-472-9821
- **SAVE THE DATE:** Saturday, September 24, 2011. BEC Annual Member Meeting, Roberts High School

Get all the latest news @  
[www.beartoothelectric.com](http://www.beartoothelectric.com)