

West River Electric

A Touchstone Energy Cooperative 

Cooperative Connections

MARCH 2011 VOL. 47 NO. 3

**WHAT THE
EARTH KNOWS** Pg. 8

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2010 Accomplishments



Dick Johnson
CEO/General Manager

2010 was a year of transition and new opportunities for West River Electric. We saw 3 long time employees retire with a combined total of 109 years with West River Electric. With that came change in management as I was named the new CEO/General Manager as of February 1, 2010. Being as my background is as a “bean counter”, I thought I would try to give you a quick snapshot of some of our accomplishments during the past year.

Our sales last year topped 236 million kWh or about 1.7% more than 2009 with electric revenue about 5.2% higher. The average residence on our service used slightly over 1,000 kWh per month with the average bill per month of \$102.50. This was exactly \$2.00 more per month than 2009. We reached another milestone during 2010 by having over 15,000 meters. We ended the year with 15,452 meters connected on our service; an addition of 473 new meters energized. Our margins were strong in 2010. We plan to put part of those margins into our RUS approved revenue deferral plan. These deferrals will be brought back into margins in 2012 to help offset future rate increases. We retired \$100,000 in estate capital credits and retired \$300,000 in our general retirement this fall.

Of course our major project for the year has been the branch office. We moved into the new facility right after the new year. This project came in under estimates by about 25%. Most of our budgeted items for furniture, technology and equipment came in under budget too. We hope to be completely done with the entire project in early summer 2011.

Our line department started the year by sending several line crews to areas in north central South Dakota for up to 2 weeks at a time to help those cooperatives who were devastated by ice storms. We added approximately 13 miles of new underground line and retired 26 miles of overhead. We constructed 350 new services. We rebuilt 3.5 miles of 3 phase line near Sturgis to better serve growing loads in that area. Although the majority of the construction of the Rushmore substation was in 2009, we energized the sub in the spring of 2010

right before the peak summer season.

With our need for safety for our employees, we decided to replace our 34 year old tree chipper with a newer, safer model. We also replaced a digger with a larger Freightliner digger/derrick unit that has a 60' reach. With the increased weights of wire and transformers, and taller transmission poles, we were stretched to the limits on our current diggers in service. This unit will provide additional safety for our linemen when working with larger material.

Our marketing department had a busy year. They moved 264 water heaters. They sold 218 units of cove heat totaling 256,000 watts. They installed and inspected 200 new heat meters. We started promoting our demand response program to help control our peak loads thus saving on power costs. At the end of 2010 we had 210 installed units.

We installed several new pieces of technology to allow our operations to run more efficiently and improve service to our members. We installed a new interactive voice response system (IVR) and outage management system (OMS). The IVR system allows members to call in and make inquiries and payments on their accounts anytime day or night. The system also handles overflow calls for the outage system and allows us to call members back automatically. The OMS system, in tandem with our meter reading system, can help detect outages, provide quicker response time, and give us detailed reports on our outages to help restoration and reliability. We continue to add devices to our system that allow us to remotely disconnect accounts from the office. With the 1,080 connected, we have saved a great deal of time not having to send a lineman out to disconnect the meter.

West River continued to support our community through economic development efforts, donations to area non-profit clubs and organizations, and our employees volunteered many hours with various organizations and events.

Finally on behalf of myself, and the Board, I would like to thank our team of employees who worked so hard during this past year. Given the economic situation, the new office coming on line, and the increasing upward pressure on rates, we decided not to hire back several open positions. Even with the added work load, our employees all pitched in and got the job done for you our member. For that I am proud, and I think you can be too! Until next time...

West River Electric Cooperative Connections

(USPS No. 675-840)

Our Mission

To inform you about your cooperative and its efforts to serve your energy needs; about how to use electricity safely and efficiently; and about the people who define and enhance the quality of life in communities served by electric co-ops.

President

Jerry Hammerquist, Caputa, S.D.

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Stan Anders, Union Center, S.D.

CEO/General Manager

Dick Johnson

Editor

Veronica Kusser

West River Electric Cooperative Connections is the monthly publication for the members of West River Electric Association. Members subscribe to Cooperative Connections as part of their electric cooperative membership for \$6.00 a year. West River Electric Cooperative Connections purpose is to provide reliable, helpful information to electric cooperative members on matters pertaining to rural electrification and better living. Nonmember subscriptions are available for \$12.00 per year. Periodicals Postage Paid at Wall, S.D., and at additional mailing offices. POSTMASTER: Send address changes to West River Electric Cooperative Connections, PO Box 412, Wall, SD 57790-0412.

Other correspondence to: West River Electric Cooperative Connections, PO Box 3486, Rapid City, SD 57709; telephone (605)393-1500, Exts. 6617, 6631 or 6619; fax (605)393-0275; e-mail vkusser@westriver.com

Design assistance by:

TDG Communications, Inc. Deadwood, S.D.



Call before you dig:

All underground cable location requests for the entire state of South Dakota are made through the South Dakota One-Call System. The number is toll free, 1-800-781-

7474 (dial 811 instate). You are required to provide this one-call center with information regarding the location where you will be digging, along with a description of the type of work you will be doing. You are required to give at least a 48-hour notice before you dig. The one-call center will then notify all utilities with underground facilities in the area where you will be digging.

BLOOD DRIVE



United Blood Services will be at the Rapid City Branch Office for a Blood Drive

March 8, 2011

1:00-4:00 p.m.

In the Community Room at

3250 E. Hwy 44

Rapid City, SD

Call Robert at 393-1500 for an appointment.



Youth Excursion Road Trip to Explore Your Energy's Future July 26-28, 2011

This summer, West River Electric will sponsor area students at the South Dakota Rural Electric Youth Excursion. This three-day event will be headquartered out of Bismarck, North Dakota.

Young people attending the excursion will learn about the basics of cooperatives, how the region's Touchstone Energy Cooperatives work together and the career opportunities available at the cooperatives. The trip promises to provide fun, sight-seeing and an opportunity to make new friends with participants from other rural electric cooperatives from across South Dakota.

Participants will tour the Great Plains Synfuels Plant, Coteau Properties Freedom Coal Mine, Antelope Valley Station Power Plant and a drive through the 40-mw Wilton Wind Farm north of Bismarck, N.D.

Evenings will be spent swimming, dancing, taking a cruise, shopping and making new friends.

WHO IS ELIGIBLE? All area high school sophomores, juniors and seniors whose parents or guardians are members of West River Electric are eligible to enter.

WHEN IS IT HELD? The excursion will be held July 26-28, 2011. Participants will be picked up Tuesday morning, July 26, and will arrive back home Thursday, July 28. Commercial buses will be used for transportation.

WHAT DOES IT COST? The trip is funded by West River Electric Association. Funding for the trip provides for each participant's transportation, lodging, meals, entertainment and sight-seeing events. Students are required to supply their own personal/shopping money.

HOW DO I QUALIFY? Contact West River Electric Association at 605-393-1500 or fill out the application form and return it to West River Electric Association by June 1, 2011.



July 26-28, 2011 Youth Excursion

Name _____ Male _____ Female _____
 Parent or Guardian _____
 Address _____
 City _____ State _____ Zip _____
 Telephone _____ T-Shirt Size _____
 Year in School _____ Age _____
 School Attending _____

Send to West River Electric Association, Youth Excursion, PO Box 3486, Rapid City, SD 57709

For more information regarding the Youth Excursion contact Veronica Kusser at 605-393-1500 or e-mail vkusser@westriver.com.

THE RAPID CITY BRANCH OFFICE



In 1955, contracts were let for construction of a branch office in the Rapid City area to better serve the members in that area. This office was completed in the fall of 1955. At that time

West River Electric was serving 2200 meters, had over 1520 miles of line and 4 substations. In 1959 contracts were let for the construction of the Rapid Valley substation to serve the growing demand for electricity to the members in that area.

As the Rapid City and Box Elder areas continued to populate, remodeling was done and an addition was constructed. Rapid City and Box Elder Substations were upgraded and the Haines and St Patrick substations were built along with new transmission for added capacity and system reliability. The addition of the upstairs was made to the Branch Office in the early 90's bringing the square footage to 9,200 square feet.

In 2000, the Board of Directors made the decision to move forward with construction of a new branch office. Lee Geiger was hired as the architect for the project that year. One of the main driving forces was the expected construction of the new Southeast Connector from Exit 61 at I-90 to SD 79 south of Rapid City. The over pass and road were proposed to pass right through our west parking lot. In 2001, we removed the 2 houses to the east of the present building in order to construct a parking lot on the east side of our property.

January 2002 West River purchased the Rapid Valley School that was located right behind our current property. We also purchased 2 more additional acres to the north of the school property. In the spring of 2002, we constructed a customer entrance and parking lot on the east side of our building. The SE Connector started in 2002 and was completed in 2005. A decision was made in 2004 to hold

off on final plans until the future of Ellsworth Air Force Base was decided. In May 2005 EAFB was put on the closure list, and plans for a new branch office were further delayed. It was also forecasted that we would have large power cost increases from our power supplier which held up construction even further.

In November 2008, we moved forward with tearing down the existing school buildings because it was determined at this time that something needed to be done. The existing building was too small and business was not being handled in an efficient manner. Safety was quickly becoming a major factor. On July 9, 2009 bids were opened and on July 22, 2009 the contract for construction of a new office was awarded to Sampson Construction for \$10,032,000. Construction on site began in earnest on September 15, 2009.

The last member to make a payment in the old office on Hwy 44 was Irvin Wittmeier on January 6th. Friday morning shortly after 7:00



Irvin Wittmeier makes the last payment in the old office.

a.m. Rosalinda Kraig was in the new office to make the first payment received in that office. Lind-Exco went to work preparing to demo the old building and on January 25 at about 10:30 a.m. they began the demolition to make way for additional parking and landscaping.



Dick Johnson greets Rosalinda Kraig as she makes the first payment in the new office.

We want to Thank You our Members for your patience while we went thru the construction of the new building. You will still receive the same great service, just at the office next door.

Safety Training for the Month of January was CPR



Greg Burrell of SDREA



Mike Kroells in CPR Training

Each year as part of the West River Electric Safety Program CPR and First Aid recertification was offered to all employees. Our statewide organization Loss Control Instructors, Greg Burrell and Mark Patterson travel around the state of SD to the different Cooperatives and provide this training as well as Rubber Glove Refresher, Hot Stick Testing, Bucket Truck Rescue and Hazard Recognition to name a few. Safety is #1 to the employees, staff and directors of West River Electric.

June 10-16, 2011 Youth Tour to Washington, DC



In June, more than 1500 high school students will travel to Washington, DC to participate in the Rural Electric Youth Tour. During this action-filled week students will learn what it is like to be involved in politics, community service, cooperative philosophy and rural electrification. They will have the opportunity to meet with their elected representatives in the U.S. House and Senate and discuss the process of government and issues that we face today while increasing their knowledge about electric cooperative utilities.

The students are selected and sponsored by their local rural electric cooperatives. The South Dakota Rural Electric Association (SDREA) coordinates arrangements for the South Dakota students. Among the sites that are toured are: National Cathedral, the White House, Washington Monument, U.S. Supreme Court, U.S. Capitol, Ford's Theater, Lincoln Memorial, Arlington National Cemetery, Mount Vernon, Tomb of the Unknown Soldier, The Smithsonian, National Archives, Air and Space Museum, and the Vietnam Veterans Memorial.

All area high school juniors whose parents or guardians are members of West River Electric are eligible to apply for the Youth Tour. The funding of the tour is provided for by WREA, which includes the students transportation, room and board, and sight-seeing events. Students will be required to provide their own personal spending money.

Each student will be required to submit an essay, not to exceed 500 words on "What does my Electric Co-op mean to me and my family?" All essays must be typed and include a cover sheet to include the title, the students name and their school. All applications and essays must be received by West River Electric before April 15, 2011.

ENERGY TIP

Your attic can have an impact on your heating and cooling costs. The attic is one of the areas you will find the biggest air leaks, which will increase your energy bills in the summer as well as the winter.

Sign Up

Fill out and send to:
**West River Electric Assoc.
Cooperative Connections,
PO Box 3486,
Rapid City, SD 57709**
Or drop it in with
your payment.

Sign up for:

- Operation Roundup
- Budget Billing
- Pay By Bank
- Automatic Credit Card Payment
- Blocks Wind Energy

I am interested in more information on:

- Marathon Water Heater
- Radiant Cove Heat
- Meco Grills
- Special Electric Heat Rate
- Geothermal & Air to Air Heat Pumps
- Rebates
- Radiant Floor Heating

Be sure to include your name and address if you mail this coupon

E mail: vkusser@westriver.com

Marvin Anders Wins \$10.00 Credit

Marvin Anders is our latest winner of the survey drawing. These surveys are available at both offices for any member who would like to give us their comments. In return, you'll have a chance to save \$10.00 on your electric bill.

Call SD One Call Before
You Dig at 811

STATS

November 2010 - # of Meters 15,377
KWH 17,225,259

November 2009 - # of Meters 14,951
KWH 18,257,872

Rate Increase

You have probably noticed over the last couple of months we have been telling you in Cooperative Connections that we were anticipating a rate increase for 2011. We have completed a detailed cost of service study and determined that we will have an overall rate increase of approximately 8%. This increase is effective March 1, 2011 and will show up on the bill you receive on or around the first of April.

With all the uncertainty in the economy these days, our management and Board struggled with the decision to raise rates. There are several reasons for the increase. Approximately half the increase is due to the increased cost of power from our power suppliers. The other half of the increase can be attributed to the increased costs of bringing the branch office on-line, new investments in plant and substations, and the general increased costs of our business.

Our increased cost of power is due in a large part to Basin Electric bringing on many new resources to meet growing power demands. Not only are we seeing increased demand for electric usage from residential and commercial growth, but several areas served by Basin are seeing increased growth due to added oil and gas exploration. Our area of the country is one of the few that has seen growth in electric usage since the recession started. In April, a new coal fired power plant near Gillette Wyoming will be put in use to meet the demand needed for reliable baseload generation. In order to meet demand that is more environmentally friendly, Basin has built more expensive, on demand sources of power such as natural gas, waste heat recovery and wind resources. Basin expects to have increasing rates through 2013 at which time they hope the needed increases will level off.

We will be raising our general service rates for usage and demand. The "Power Cost Adjustment" line on your bill will be at zero once the increase is made. We have rolled the "Power Cost Adjustment" into the current increase. We will leave the "Power Cost Adjustment" line on the bill as we anticipate we may have to utilize the "Power Cost Adjustment" in the future.

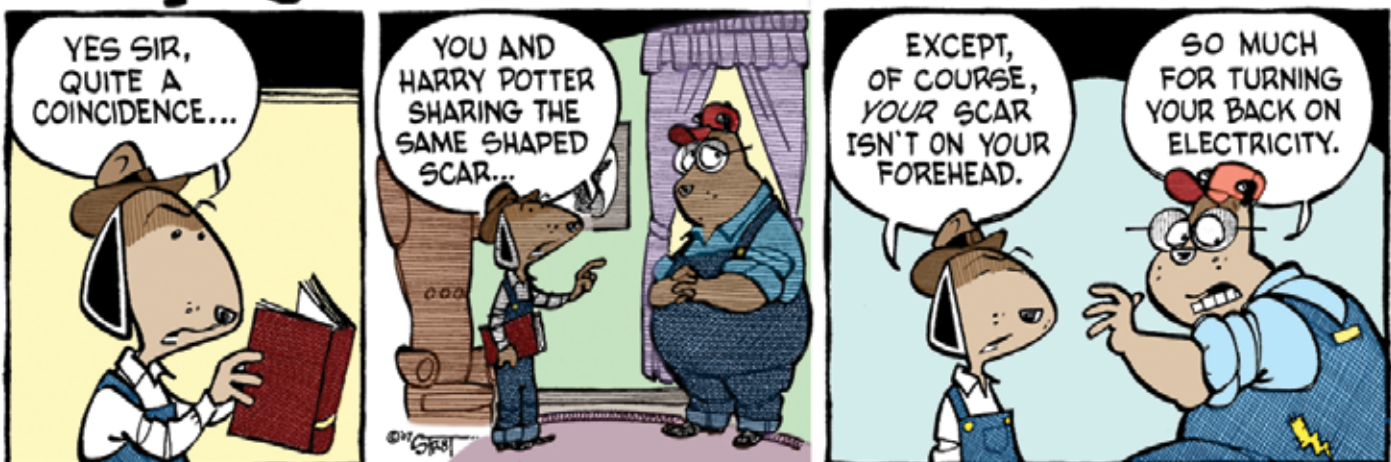
The last few years, when we had excess margins, we put funds away in a revenue deferral account to help offset some of these increases. We were able to use that fund to minimize the increase approximately 4%. We still have funds available for 2012, but the fund is forecasted to be exhausted by 2013. As Dick said in his column this month, we have delayed re-hiring some open positions until absolutely necessary. We have trimmed many other programs to help curb costs. We have to maintain adequate margins by our lenders in order to keep certain levels of equity and meet certain financial ratios.

At a time when Americans' electric bills are going up around the country—in some places as much as 40 percent, the coop way of doing business is an important way to keep costs manageable. We work diligently to provide for your power needs with prudent, shared investments to ensure reliability at the lowest possible costs. A non-profit electric cooperative means we sell electricity at cost to our members with no markup. Any excess of revenue over our expenses goes back into the organization and is allocated to our member/owners each year. These margins are eventually paid out to you, our member/owners in the form of capital credits. Though factors, such as rising wholesale power costs, are often beyond our control, we work to manage local costs to keep members' bills low. How long we can go again until another rate increase will remain to be seen.

We promote the wise use of energy within your home and business. An excellent on-line tool is the website Together We Save. To get there, go to www.westriver.com and click on the link at the bottom left of the home page called "Touchstone Energy Cooperatives TogetherWeSave.com." This website has a host of excellent information on ways to reduce your energy consumption around your home. This will help you save money on your electric bill in this period of rising power costs. You may contact our member services department for assistance too.

If you have questions, please don't hesitate to contact one of our offices.

Murphy



Operation Round-Up Application Deadline is set for February 28, 2011



You can participate in a member-to-member contribution option that's quick, inexpensive and unites the entire membership to help each other. Operation Round-Up is designed for ease and maximum benefits for the program. Members volunteering for the Round-Up option agree to have their monthly bill rounded

up to the nearest dollar with the extra pennies going to the program.

The average donation will amount to approximately \$6 during the course of a year. Imagine, if 50% of West River Electric's nearly 12,000 members signed up for Round Up, the fund would have \$36,000 to be used to help local charities and civic organizations. Your last bill of the year will show your total contribution for tax purposes. Your voluntary participation will help someone else.

Round-Up is voluntary! Just fill out the form below and return it with your next bill payment to your local office or drop it in the mail.

Operation Round-Up will be accepting applications for funding; the deadline to apply is February 28, 2011. Anyone interested in applying for funds, please stop by to pick up an application at the Wall or Rapid Valley Office, call – Rapid City at 393-1500 or Wall 279-2135 or go online to westriver.com. To sign up to donate to Operation Round-up fill out the form below and return with your payment.



New Underwood Youth Organization received \$250.00 for the upkeep of the Baseball Fields.



Pennington County Search & Rescue received \$2000.00 to help with the replacement of the high-angle rescue equipment.

Yes I want to participate in Operation Round Up Please send me more information

Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Acct # _____

I would like to donate an additional amount over and above the normal roundup amount of \$ _____ per month, please apply this amount to my bill each month. Please return with your bill or fill out and mail to:
West River Electric, PO Box 412, Wall, SD 57790.

Stay Safe With Electricity



Nearly three people die each day in the U.S. due to residential electrical-related fires and accidental electrocutions. Many of these victims are children or workers younger than 25.

Approximately

450 people attended a Electrical Safety Demonstration presented by the South Dakota Touchstone Energy Electrical Cooperative in conjunction with the Black Hills Stock Show and Rodeo, January 31. These live presentations featured audience participation for you our members. The participants learned about electricity, how to “play it safe,” and what happens when people come into contact with high voltage lines. We explored electricity as an indispensable power source which we take for granted and the dangers that can arise from weather, construction activities and tampering with electrical equipment. We offered safety tips on fallen wires, working near power lines, fuses and circuit breakers and electrical surges.

If you are interested in having the presentation done for your organization or a group that you belong to contact Member Services at West River Electric, 393-1500.

Phase out of The Incandescent Bulbs



The Incandescent Light Bulb profoundly changed the way America lit up the night in 1879. The electric light, one of the everyday conveniences that most affects our lives, was invented by Thomas Edison and today we see many changes being made.

Many members have changed, and are changing, to the compact fluorescent light bulbs (CFLs), but currently the traditional incandescent bulbs remain the bulk

of the residential lighting market. This will be changing soon.

New standards will require light bulbs to generate more light using less power according to the federal Energy Independence and Security Act of 2007. Incandescent bulbs, beginning with the 100 watt bulbs will be phased out beginning in 2012, 75-watt bulbs will be ending in 2013 with the 60-watt and 40-watt bulbs ending in 2014. It is said that lighting accounts for 15% of the use of electricity in the homes, so by removing the incandescent bulbs from the market, there will be a big impact on America’s energy use.

West River Electric will Sponsor a Member Bus Tour To Basin Electric in North Dakota



West River Electric will sponsor an all-expenses paid bus tour to Basin Electric’s power generation facilities June 1-2, 2011. Any member and their spouse are encouraged to send in the form below if

they would like to attend the tour.

Up to forty members’ expenses, except incidental spending money, are paid for by West River Electric.

Names will be drawn out of those sending in their entry by May 2. The tour group will visit the Freedom Coal Mine, Antelope Valley Station Power Plant and the Great Synfuels Plant that are located outside of Beulah, North Dakota.

Two years ago all of those who attended the tour said it was “very educational” and “interesting.” Travel will be aboard a motor coach that will depart from our Rapid City branch office Wednesday, June 1. Participants will tour the Freedom Coal Mine the afternoon of the 1st and spend Wednesday night in Beulah at the AmericInn Motel. Thursday the group

will tour Dakota Gasification and the Antelope Valley Station Power Plant. Upon completion of the tour on Tuesday afternoon, the bus will depart for Rapid City returning that evening.

For more information, call Veronica Kusser at 393-1500 or email vkusser@westriver.com.

Member Bus Tour

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Ages: _____

Smoking/Non-Smoking: _____

Send registrations to West River Electric,
PO Box 3486, Rapid City, SD 57709

November 3 - April 27
 Quinn VFW Bingo
 Wednesday Night Bingo
 Starting at 7:00 p.m.
 Wall Community Center
 Meeting Room
 Wall, SD
 605-279-2665

February 18
 13th Annual Key City
 Pen of 3 & Home & Ag Show
 Sturgis Community Center
 Sturgis, SD
 605-347-2556

February 18-19
 State A & AA
 Gymnastics Meet
 Watertown, SD

February 25-26
 State A Wrestling
 Tournament
 Sioux Falls, SD

February 25-26
 State B Wrestling
 Tournament
 Aberdeen, SD

March 4-5
 Debate & IE
 State Tournament
 Brookings, SD

March 5
 BH Symphony Orchestra
 Virtuoso
 Rushmore Plaza
 Civic Center
 Rapid City, SD
 800-468-6463



To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event.

March 10-12
 Girls State B
 Basketball Tournament
 Huron, SD

March 10-12
 Girls State A
 Basketball Tournament
 Watertown, SD

March 10-12
 Girls State AA
 Basketball Tournament
 Brookings, SD

March 12
 SD State Powerlifting &
 Bench Press Championships
 YMCA of Rapid City
 Rapid City, SD
 605-718-9622

March 12-13
 Philip Area Annual
 2011 Gun Show
 American Legion Hall
 Philip, SD, 605-859-2635

March 17-19
 Boys State B
 Basketball Tournament
 Aberdeen, SD

March 17-19
 Boys State A
 Basketball Tournament
 Rapid City, SD

March 17-19
 Boys State AA
 Basketball Tournament
 Sioux Falls, SD

March 24-26
 All State Band
 Yankton, SD

April 8-9
 El Grande De Coca-Cola
 Dinner Theatre
 Firehouse Brewing Co
 Rapid City, SD
 605-348-1915

Events of Special Note

February 26
 7th Circuit CASA Program
 Fire and Ice
 Rushmore Plaza Holiday Inn
 Rapid City, SD, 605-394-2203

March 8
 United Blood Services
 Blood Drive
 West River Electric Branch Office,
 Rapid City, SD, 605-393-1500

April 9
 Dakota Pianist
 Rushmore Plaza
 Civic Center
 Rapid City, SD
 800-468-6463

April 9-10
 Dakota Territory Gun
 Collectors Gun Show
 Rushmore Plaza
 Civic Center
 Rapid City, SD
 605-394-4115

April 16-17
 CubFest
 Bear Country USA
 Rapid City, SD
 605-343-2290