

The role of  
*leadership*  
in

# COMMUNICATIONS



A year's worth of excellence in communications was recognized at the association awards breakfast Oct. 5 in Great Falls. The Sweepstakes Award for Excellence for large cooperatives went to Glacier Electric. The Award for Excellence for small cooperatives was a tie between Hill County

Electric and Big Flat Electric. A new category for 2006, *Best Manager's Report*, recognizes the leadership role in cooperative communications. *RM* pays tribute to the winners by publishing edited excerpts from the winning entries. Remarks by the judges appear in quotes above each excerpt.

## Honorable Mention

*"An informative package"*

By Mike Henry  
Lincoln Electric



One question I get a lot this time of year is, "Why is my capital credit retirement check I just got from (my telephone cooperative) so much more than the one I just

received from Lincoln Electric?"

The short answer is that the (telephone co-op) has historically had much higher margins (profits) to allocate as capital credits than LEC has. The main reason for this is that (the telephone co-op) receives approximately 80 percent of its revenue from non-members. This enables them to have high margins without having to charge you higher rates. Contrast that to LEC where almost 100 percent of our revenue comes directly from you, our members. The only way for us to have higher margins would be to raise rates above current levels or to cut costs by reducing the level of service we provide.

### Key Ratio Trend Analysis (KRTA)

The KRTA provides an easy way to look at a variety of financial and operational statistics and see how your co-op compares to others.

Based upon the 2004 KRTA, Lincoln Electric members are paying some of the lowest rates for cooperative members in the country. There were only 26 cooperatives lower out of 818.

## Second Place

*"Compelling writing"*

By Ken Sugden  
Flathead Electric



As many of you are aware from press releases, the president's budget proposal for 2007 will change the way Bonneville Power Administration repays its debts.

Bonneville Power Administration (BPA) will be FEC's primary power supplier as of October of this year.

When BPA has a good water year, and rivers and streams are flowing high, the dams are generating enough electricity so that BPA can sell the excess electricity to sources inside and outside the region. BPA is able to use this profit to maintain lower rates for customers.

Unfortunately, the president's budget proposal is asking BPA to pay down their debt with any generated revenues over \$500 million.

This isn't because BPA has fallen behind on payments; in fact, BPA has repaid more than \$1.45 billion in early payments over the last five years.

This is a request that will raise energy rates from BPA and in turn raise the rates for Flathead Electric's members.

We will continue to fight this alongside our congressional delegation. You can also help by opposing this proposal. Simply go to Flathead Electric's website at [www.flatheadelectric.com](http://www.flatheadelectric.com).

## First Place

*"Powerful"*

By Mike Kays  
McCone Electric



Although McCone electric and two other co-ops legally qualify for federal disaster assistance following April's destructive storm, we have been denied help by a

precedent-setting decision from FEMA.

We had yet to complete the final restoration to our system of the massive damage caused by an early April ice, snow and wind storm, when we received this second devastating blow on June 10: "The damage was not of such severity and magnitude as to be beyond the capabilities of the state and affected local governments . . . we have determined that supplemental federal assistance is not necessary."

We had thrown every resource available toward restoring power to the nearly 1,000 services that had been lost. The last residential member connected had been without power for seven days. The final tally revealed the following damages to our cooperative:

300 poles down, 325 crossarms replaced, 351,000 feet of line replaced.

The Montana DES, the governor's office, the offices of Sen. Baucus, Sen. Burns and Congressman Rehberg all met with a stone wall of silence when inquiring as to the status of our request. All concerned were stunned when the final decision was at last released.