



MOUNTAIN PARKS ELECTRIC 2025

ANNUAL REPORT

POWER YOU CAN COUNT ON.
RATES YOU CAN UNDERSTAND.

LETTER FROM THE CEO

STRAIGHT ANSWERS ABOUT ENERGY COSTS



VIRGINIA HARMAN, CEO

Most of my career has been in the service of not-for-profit organizations, with more than 20 years spent working for electric distribution cooperatives like Mountain Parks Electric. As such, one of my defining goals has always been to maintain the trust of those the cooperative serves, you, our member-owners. Even though, on a global scale, trust has dwindled in today's world, I continue to believe it not only can be maintained, but that it's imperative.

Trust grows when people feel informed, respected, and confident that decisions are made with their best interests in mind. It's built through honesty, transparency, and empathy—qualities that guide how we communicate and how we make decisions on behalf of our cooperative as a whole. At MPE, earning and keeping the trust of our membership means being open about the "why" behind our work, especially when the topics are complex or have a direct impact on your daily lives.

That is why, when my team and I were brainstorming theme ideas for the 2026 Annual Meeting and 2025 Annual Report, we decided to focus on how MPE's electric rates are determined. With increasing rates comes increasing skepticism about whether the leadership of MPE is looking out for your best interest. I understand that and want to give you all greater insight into the complexity of rate design so that you can see the challenges we must tackle together as a cooperative. Rate design involves cost-of-service studies with independent experts analyzing how much it costs MPE to provide electricity to members in each of our rate classes. But it doesn't stop there. We also look to MPE's mission: to deliver "safe, reliable, cost-effective, sustainable energy and services to better the lives of our members and communities" to determine how to use our limited resources each year.

To illustrate what we are calling the four pillars of our mission—safety, reliability, cost-effectiveness, and

sustainable energy—we are introducing our "MPE Energy Enthusiasts." No single member cares solely about one of these pillars, yet we do serve groups of members who may prioritize one pillar above the others. In rate design, these priorities often push and pull against one another, especially when it comes to cost-effectiveness. Simply put, if we put more resources into any pillar while maintaining cost-effectiveness, we must shift resources away from the others. If we move in the opposite direction and focus only on cost-effectiveness to keep rates as low as possible, we sacrifice safety and reliability. In the end, expertise and efficiency are what allow us to deliver a balanced approach to all four pillars with disciplined use of resources, day in and day out.

Trust is also strengthened when you can see the values behind our decisions, not just the outcomes. That's why highlighting these four pillars matters. They reflect the balance we seek to maintain every day—protecting safety, ensuring reliability, being responsible stewards of member dollars, and planning for a sustainable energy future. By being open about how these priorities shape our rates and our long term planning, we hope to give you and all our members a clearer view of the thoughtful, values based decisions happening behind the scenes. In the end, transparency is part of how we honor the trust you place in us as your cooperative.

As you reflect on this report, I hope you'll share your thoughts and experiences with us. Your perspective helps ensure that the decisions we make reflect the needs, values, and expectations of the members we serve. Thank you for the trust you place in Mountain Parks Electric—it's a responsibility we carry with care every day.

MISSION

To deliver safe, reliable, cost-effective, sustainable energy and services that better the lives of our members and communities.

VALUES

To be the energy provider of choice and to support the communities we serve while realizing the full potential of the grid.

LETTER FROM THE BOARD PRESIDENT

KEEPING THE LIGHTS ON



LIZ McINTYRE,
BOARD PRESIDENT

As I write this, the National Weather Service has just issued the first Fire Weather Watch of 2026 for our area.

There is a pit in my stomach. If the weather predictions are correct, by Saturday, March 28, the Mountain Parks Electric (MPE) system will be placed on fire protection settings (FPS). This decreases the risk of an MPE-caused wildfire, but increases the chance you will experience an outage. Outages stink. And they are downright scary if you rely on electricity for your medical needs or to run your well pump. The longer the fire season, the more days our system will be on FPS. The 2026 fire season is starting way too early.

My attention is acutely focused on the two priorities we all care about—**safety** and **reliability**. Or is it **affordability** and **sustainability**? These four pillars of our mission are, so to speak, “tattooed” on the arms of all cooperative directors as a reminder. They provide guardrails during discussions of strategic plans and budgets. What results from these discussions forms the basis of your rates. To deny the nuance and complexity among the pillars is to defy gravity.

MPE’s strategic plan and real-life experience during the 2025 fire season prompted investments and operational changes to minimize risk. The Board and MPE employees are actively working on this critical issue. Wildfire recovery and mitigation costs are one of the larger factors in state-level retail price increases.

Studies of electricity pricing and affordability proliferated in 2025. One found that 24% of Americans are behind on their electric bill. MPE’s American Customer Satisfaction Index survey captures your concerns about rising prices. We discuss this in the board room, and it informs every decision. How you feel when you see your bill motivates us just as much as whether the light comes on when you flip the switch. If operating a safe and reliable system costs more than you can pay, how does that square that with the promise of rural electrification? If members cannot pay their bills, how is it possible to maintain a safe and reliable electric system? Imagining and implementing ways to constructively address these questions is paramount to board and leadership responsibility.



MPE LINEMEN REPLACE INSULATORS NEAR HEEHEY

Long-term cost control and predictability is just one answer. The purchase of wholesale energy is MPE’s largest expense. In February 2025, Guzman Energy became MPE’s wholesale energy supplier. This transition was a two-year, complex, herculean effort and resulted in a 20-year fixed-rate supply structure. This is akin to a grocery store negotiating with grocery suppliers to lock in prices. This agreement minimizes MPE’s exposure to market volatility.

“Uncertainty” was the watch word in 2025. “Turbulence” and “disruption” were likely runners up. Artificial intelligence was omnipresent. How would it impact the economy, electricity prices, the job market, and our members? How would it change us as individuals? What are the opportunities? What about shifting federal and state policy? Managing through uncertainty is challenging. Thinking systematically, seeing the big picture, and making coordinated decisions that align with MPE’s overarching vision kept us stable and agile.

The 2023–2026 strategic plan set the direction. I am grateful to the staff and leadership who all worked with care and intention, and remained steady throughout 2025. The pace of change we experienced in 2025 is likely the slowest we will experience going forward. The push and pull of the four pillars will keep MPE centered.

MPE is member owned and democratically controlled. Directors appreciate your questions, concerns, and thoughts. Please keep them coming.

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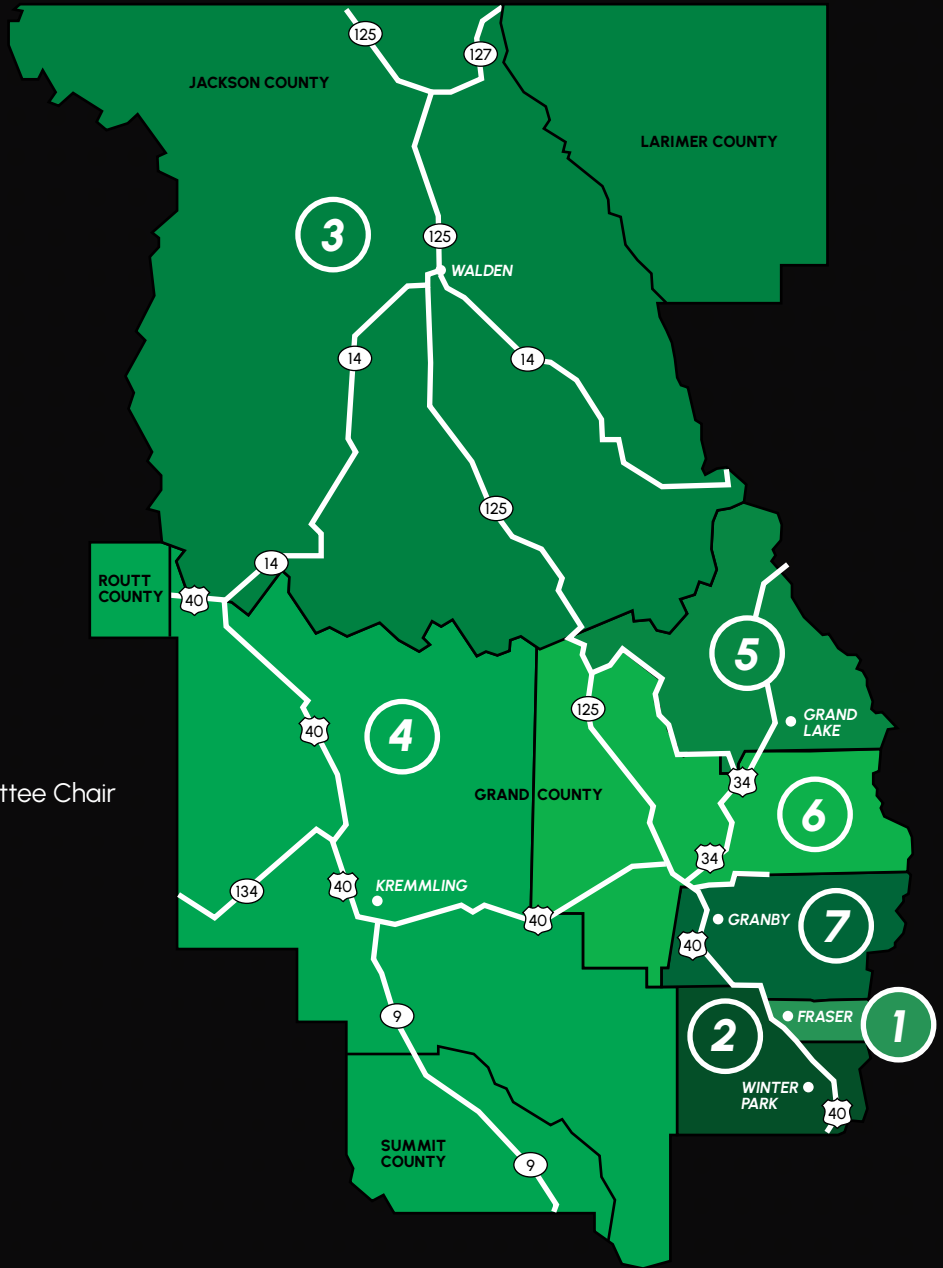
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MOUNTAIN PARKS ELECTRIC

2025 Financials

UNAUDITED

Balance Sheet

Assets	2024		2025	
Total Utility Plant	\$117,521,843		\$127,685,651	
Accumulated Depreciation	(48,405,149)		(51,542,583)	
Net Utility Plant	69,116,694	59%	76,143,068	41%
Other Property & Investments	25,888,420	22%	3,892,181	2%
Current Assets	23,125,726	20%	22,380,705	12%
Regulatory Assets	-	0%	82,836,016	45%
Total Assets	\$118,130,839		\$185,251,971	
Equity & Liabilities				
Patronage Capital & Equity	\$63,418,141	54%	\$58,032,237	31%
Long-Term Debt	39,172,597	33%	114,421,006	62%
Current Liabilities	8,838,002	7%	9,320,820	5%
Other Credits	6,702,099	6%	3,477,908	2%
Total Equity & Liabilities	\$118,130,839		\$185,251,971	



MOUNTAIN PARKS ELECTRIC

2025 Financials

UNAUDITED

Statement of Operations

Operating Revenues	\$46,772,122		\$57,307,043	
Operating Expenses				
Cost of Power	\$26,123,418	57%	\$27,990,704	48%
Transmission Expense	-	0%	\$2,029,204	4%
Operations & Maintenance	5,826,072	13%	7,051,586	12%
Customer Accounts	1,144,134	3%	1,010,287	2%
Customer Service & Sales	717,938	2%	858,666	1%
Administration	6,121,379	13%	6,161,658	11%
Total Operating Expense	39,932,940		45,102,105	
Depreciation	3,651,966	8%	7,179,353	12%
Property Tax	543,044	1%	482,234	1%
Interest	1,422,854	3%	5,194,992	9%
Other Deductions	8,881	0%	12,439	0%
Total Cost of Electric Service	\$45,559,685		\$57,971,123	
Total Operating Margins	\$1,212,437	51%	\$(664,080)	14%
Non-Operating Interest Income	346,413	15%	2,262,643	-49%
Non-Operating Margins - Other	49,329	2%	61,162	-1%
Patronage Capital (Received)	766,221	32%	499,704	-11%
Extraordinary Items	-	0%	(6,782,307)	147%
Total Margins	\$2,374,401		\$(4,622,878)	
Employees	66		74	
Total Plant in service	\$115,151,924		\$125,712,031	
Property Taxes	\$543,044		\$482,234	
Consumers per mile	13		13	
Miles of line	1,893		1,902	
Meters Served	23,889		24,827	
Interest Paid	\$1,422,854		\$5,194,993	
New Services Added	407		974	

HOW MPE HELPS KEEP MEMBERS' COSTS DOWN



Rigorous Safety Program

MPE's strong safety culture helps avoid costly incidents and lost time injuries. Proactive wildfire safety settings reduce financial risk by protecting infrastructure and limiting the potential for expensive system damage and liability.

Rebates and Energy Efficiency Education

MPE helps members lower usage and monthly bills by offering rebates for home energy audits, insulation, heat tape timers, smart thermostats, heat pumps, EV chargers, and other energy saving upgrades—making efficiency improvements more affordable and accessible.

Income-Qualified Efficiency Programs

MPE provides funds for the CARE Program, which delivers up to 12 comprehensive home energy efficiency makeovers each year for local income-qualified households, reducing long term energy costs while improving comfort and safety.

Local Partnerships

Through its partnership with Sustainable Grand, MPE connects members to home energy assessments, weatherization resources and education, and efficiency incentives, helping households take practical steps to reduce energy waste and costs.

Long-term Planning

MPE's power supply strategy focuses on long term rate stability rather than short term market exposure, helping protect members from volatile energy prices.

Efficiency Mindset

MPE actively looks for cost effective solutions and workarounds to stretch dollars further, such as researching hard-to-find replacement parts to extend the life of existing equipment instead of incurring premature replacement costs.

Infrastructure Maintenance

By maintaining and repairing assets proactively, MPE avoids unnecessary capital spending and helps control long term costs that would otherwise flow through to rates.

Employee Retention

Recruiting and relocating employees in mountain communities is costly. MPE's recent retention efforts are aimed at saving money over time by reducing turnover, lowering training and hiring expenses, and preserving institutional knowledge.

Seeks Grant Funding

MPE aggressively pursues state and federal grants to fund system improvements, wildfire mitigation, and grid modernization, reducing the amount that would otherwise need to be funded through rates.

Cost-based Rates

As a not-for-profit cooperative, MPE sets rates to reflect the actual cost of providing service, ensuring members pay only what it costs to deliver reliable electricity—no more, no less.

Bill Assistance

Programs like BOOST help eligible households manage electric bills during financially challenging periods, ensuring energy remains affordable for vulnerable members.

Empowering Members

Through the SmartHub app and online portal, members can track energy usage, view billing details, receive outage and usage alerts, and choose convenient payment options. Programs like budget billing and pre-pay billing give members greater control over cash flow and help smooth out seasonal cost fluctuations.



MPE 2025 HIGHLIGHTS & ACCOMPLISHMENTS

In 2025, Mountain Parks Electric delivered tangible results—improving safety, reliability, affordability, and sustainability—while continuing to serve as a trusted cornerstone of our member communities.

MPE strengthened system performance and risk management by completing an independent safety verification, a system-wide aerial inspection, and expanded wildfire mitigation initiatives.

Strategically, MPE positioned the cooperative for long-term affordability and stability through major federal funding milestones and a fixed-rate wholesale power supply transition. Together, these steps put MPE in a strong position for the long term and help keep service dependable and cost-based for years to come.

SAFETY



MPE maintained safety as a foundational performance standard in 2025, reinforced by independent verification and proactive member safety education. The cooperative's safety culture focused on preventing incidents, strengthening field practices, and protecting both employees and the public.

- **Enhanced wildfire mitigation:** Through 2025's severe wildfire season, MPE enacted **higher sensitivity settings** for areas of the system under fire restrictions or Red Flag warnings.
- **Aid provided at Windy Gap Fire:** MPE staff responded quickly to protect the substation at Windy Gap and coordinated with transmission partners to keep firefighting efforts safe after lightning strikes and wind ignited a wildfire.
- **Rapid wildfire detection:** MPE contracted with **Pano AI to have two automated smoke detection camera systems installed** (Walton Peak and Winter Park/Fraser) for expanded early detection and rapid alerting to responders.
- **Independent safety validation:** MPE's RESAP review confirmed the cooperative **exceeded or satisfied safety standards in all 208 review areas**, demonstrating strong safety systems and continuous improvement.
- **Sustained injury prevention:** MPE employees completed **all of 2025 without a lost-time incident**, nearing four consecutive years without lost-time incidents by March.



SAM



SAFETY FIRST

Safety Is A Cost, But It's Also An Investment In Our Community

When I hear "safety," it can feel like the kind of thing I'm expected to pay for without asking questions. But what I really want is simple: I want MPE to protect the community, protect our employees, and avoid preventable incidents. I want to know the work is being done the right way, not cutting corners, and that safety is about doing it once and doing it right, not paying for mistakes later.

MPE 2025 HIGHLIGHTS & ACCOMPLISHMENTS



RELIABILITY

In 2025, MPE advanced reliability by its first system-wide aerial inspection and rapid corrective action. Grant-supported investments in technology helped address issues before they became outages.

- **Power available 99.965% of the time:** There were more power outages in 2025, which was inconvenient for members. These outages were largely due to the severe wildfire season. However, MPE's System Average Interruption Index (SAIDI) for 2025 was still 181.2 minutes, meaning **the average member had power available 99.965% of the time**. MPE's five-year SAIDI average is 129.5 minutes. For comparison, the most recent state and national SAIDI data is from 2024. In that year, MPE's SAIDI was 148.7, well below Colorado's 257.0 and the U.S. average of 662.6.
- **System-wide aerial inspection:** A grant supported aerial field survey was completed covering **23,426 poles/structures across ~1,146 miles**, inspecting **more than 98% of the overhead system** in a single season.
- **Fast resolution of high-risk issues:** During the inspection effort, **43 critical anomalies were corrected**, with work orders and repairs typically completed within 24 hours of identification, reducing outage exposure.
- **Processing and prioritizing remaining findings:** Once MPE received the aerial inspection data and structure images, **each department pulled together to create processes and prioritize repairs**, exemplifying MPE's improved cross-departmental collaboration. Operations is on track to complete the remaining 3,000+ fixes in 2026.
- **Construction Work Plan and long-range planning:** MPE advanced reliability planning by awarding an RFP to Stanley Consultants for a Long-Range Plan and Construction Work Plan to **prioritize infrastructure needs**. These plans, an initiative set forth in the 2023–2026 Strategic Plan, will be finalized in 2026.
- **Grid hardening project execution:** Two **grant-supported resilience projects from MPE's Construction Work Plan were completed** in 2025, one undergrounding a vulnerable section of line and the other implementing fire-resistant technologies.
- **Stable workforce:** Robust hiring and retention efforts resulted in **low employee turnover** for 2025. Robust safety and interpersonal trainings facilitated efficiency in collaboration between departments.
- **Member experience confirmation:** MPE reported an **ACSI® satisfaction score of 81** in 2025, exceeding both cooperative and investor-owned utility averages, supporting the cooperative's reliability and service responsiveness objectives. **Take our member survey at www.MPEI.com/Online-Survey.**

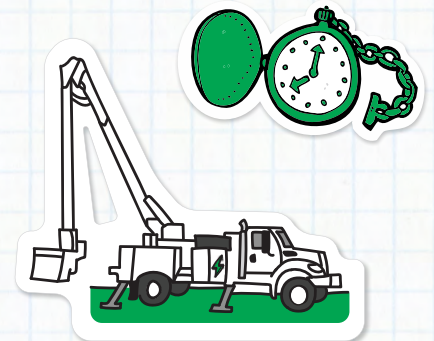


FRANK

RELIABILITY BUFF

Power Outages Complicate Life.

When the power goes out, it resets my equipment, interrupts work, messes with sleep, and turns a normal day into a hassle. I don't want a long explanation. I want fewer disruptions, faster restoration when something happens, and communication that tells me what's going on without making me hunt for answers—I want reliable power.



COST-EFFECTIVENESS

MPE's 2025 cost-effectiveness work emphasized disciplined governance, long-term supply strategy, and targeted member affordability initiatives.

- **Historic funding secured:** MPE executed the USDA-RUS New ERA letter of commitment for **\$100,321,532 over 20 years**, designed to strengthen long-term affordability and support dependable energy procurement.
- **Wholesale price stability:** MPE's transition to **Guzman Energy, effective Feb. 1, 2025**, and a **20-year fixed-rate** supply structure were positioned as key mechanisms to reduce exposure to market volatility and support predictable power costs.
- **Rate design grounded in cost-of-service:** MPE implemented rate adjustments based on a Cost of Service and Rate Study, emphasizing **fair, equitable, financially adequate rates**.
- **Affordability programs for qualifying households:** The BOOST (Benefitting Our Own Service Territory) and CARE programs were tools to **reduce energy cost burden** for income-qualified members.
- **Procurement and policy discipline:** Governance updates strengthened contracting standards, including **bid requirements for contracts** of \$50,000 or higher, supporting transparency and competitive value.

SUSTAINABILITY



MPE strengthened sustainability outcomes by supporting energy efficiency and electrification, and using grant-enabled tools to harden the system.

- **Expanded energy efficiency support:** MPE's 2025 Rebate Program added new incentives (including insulation and heat tape timers) and continued support for high-efficiency electrification technologies such as heat pumps and home energy audits.
- **Clean Power Program evolution:** The member-funded Clean Power Program expanded its scope to include support for larger-scale efficiency and electrification projects while continuing renewable support for members.
- **80% Renewable by 2030:** To fulfill state-mandated renewable energy goals, MPE was 43% renewable in 2025 and is on track to be 80% renewable by 2030.



BRIDGET

BUDGET-SAVVY

I Don't Mind Paying My Share. I Mind Paying For Waste.

When I hear "rates are going up" year after year, it's exhausting. Even a small increase feels bigger when everything else is getting more expensive, too. I want to know two things: is this fair, and is MPE doing its part to control the costs it can control? I want straight answers, and I want proof there's a plan.



ALEX

ECO FRIENDLY

I Want An Energy Future That's Responsible And Practical.

I want my electricity to be as sustainable as possible, while also maintaining reliability and affordability. I don't believe clean energy has to cost more—quite the opposite; I believe renewables can add value to our co-op by way of resiliency and staying current with technology.

COMMUNITY INVOLVEMENT

MPE continued to operationalize “concern for community” through local investment, member engagement, youth development, and direct support for vulnerable households—reinforcing the cooperative’s role as a trusted community partner.

Community Benefits Plan (CBP) progress:

MPE advanced implementation and submission of its CBP as a part of MPE’s New ERA grant award with the USDA Rural Utilities Service. MPE was the first of 51 New ERA recipients to submit a plan and obtain approval, positioning the co-op to begin receiving obligated payments once the USDA-RUS finalizes contractual agreements.



Community quality-of-life investments: MPE supported cultural preservation and recreation through UCC contributions to the North Park Pioneer Museum and a multi-year presenting sponsorship of the **Fraser Bike Park**, using a combination of MPE’s UCC fund and community investment funds from our power provider, Guzman Energy.



OVER \$217K WAS DONATED IN 2025



Strategic local giving: Along with MPE volunteer efforts more than \$217,000 was donated for community organizations and projects in 2025 from the Unclaimed Capital Credits (UCC) fund, including two Board approved \$50,000 donations to support the Middle Park Health Fraser Campus and Grand County Pet Pals’ animal shelter initiative.

Food security and senior support: MPE ensured continuity for the critical Smile Box Program in Jackson County, coordinating food delivery support in partnership with Mountain Family Center and providing ongoing funding through the MPE Charitable Trust/Operation Round Up.



28 SCHOLARSHIPS TOTALING \$82,000



Scholarships and youth leadership: In 2025, MPE awarded 28 scholarships totaling \$82,500 from more than 50 applications. For 2025, there was a total of 63 scholarship applications. MPE's Scholarship Program supports local students across academic and trade pathways, reinforcing workforce pipeline development.

Member engagement at scale:

MPE hosted high-participation member events throughout our territory, including the 75th Annual Meeting, the Member Appreciation event in September that attracted nearly 300 members, and Coffee with MPE events throughout our communities.



Members helping members: Operation Round Up, a member-support program, provided \$80,540 in contributions toward providing food for seniors in Grand and Jackson counties, for youth projects and experiences, and to aid area families in need.



Workforce development:

MPE expanded internship and apprenticeship pathways and aligned workforce investments with Community Benefits Plan commitments to develop future talent and sustain long-term local expertise.

Service beyond the territory:

MPE crews participated in Light Up Navajo, supporting electrification projects for homes receiving power for the first time and reinforcing cooperative values through direct service.



SEVEN COOPERATIVE PRINCIPLES

1. Open & Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy & Independence
5. Education, Training & Information
6. Cooperation Among Cooperatives
7. Concern for Community

WWW.ELECTRIC.COOP/SEVEN-COOPERATIVE-PRINCIPLES

STAY CONNECTED WITH YOUR CO-OP



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MPE's monthly newsletter,
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A summary from each
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