

PLUGGED IN

MOUNTAIN PARKS ELECTRIC, INC.



THANK YOU, MEMBERS

MEMBER APPRECIATION EVENT IS ONE WAY WE CONNECT WITH THOSE WE SERVE

BY VIRGINIA HARMAN – MPE GENERAL MANAGER

It feels like MPE reached new heights at this year’s Member Appreciation Event, mainly thanks to Touchstone Energy’s Hot Air Balloon Team accepting our invitation to join our event this year. Our members and employees who attended were thrilled to see and ride in the balloon. If you missed the event this year, don’t worry, we will try to bring it back in 2025.

MPE holds an annual Member Appreciation event in the first week of September as a precursor to National Cooperative Month in October. In 2023, we had a food truck serve lunch while our lineman gave safety demonstrations and other staff visited with members. As I mentioned, the highlight of this year’s event was the hot air balloon, and we were graced with a beautiful sunrise over Granby and a perfect window before rain came later in the morning. The balloon spectacle was a draw and everyone seemed to enjoy the breakfast burritos from

Java Lava and e-bike test rides with Two Pines Supply. I and my MPE employee counterparts most enjoyed visiting with you all, our members. MPE’s tagline – “owned by those we serve” – means that we are here for your best interest.

As the electric industry evolves and our co-op maneuvers through this rapidly changing landscape, every decision is made with the membership in mind. During negotiations to have a fiber network extended throughout our service territory with



MPE General Manager Virginia Harman, right, visits with a member at the Sept. 4 Member Appreciation Event at Polhamus Park in Granby.

Conexon, we ensured that all our members would benefit from the opportunity to have broadband brought to their homes and businesses. Our power supply transition is another example of our team working to create long-term benefits for you, our members.

Whether it’s at an event MPE hosts – like our Member Appreciation Event, Coffee with MPE events (see www.mpei.com/events for the schedule), Annual Meeting, etc. – or it’s at a parade or other community activity, I look forward to being able to connect with our communities and members. Our team at MPE is dedicated to serving our members, not just “to keep the lights on,” but to continue to be available to share updates from the co-op and answer any questions you all may have. We hope you are enjoying these monthly newsletters, and we invite you to stay engaged through our events, our website, and social media channels.



THE FUTURE IS
COOPERATIVE
CO-OP MONTH 2024

Logo from coopmonth.coop.

4/4

POWER SUPPLY DEEP DIVE

COST STABILITY

The power supply agreement (PSA) with Guzman Energy gives MPE price certainty, stability, and flexibility for 20 years starting in February 2025.

Since the cost of power is MPE's largest expense, securing wholesale power at a fixed rate helps ensure greater cost certainty for the co-op and, therefore, greater rate predictability for our membership. It also provides greater flexibility to MPE to customize solutions specific to our members' needs and to pursue government grants in a way that was not previously possible.

MPE is a not-for-profit cooperative, so the Board sets rates on an annual basis to cover the cost of providing electricity to the membership.

MPE anticipates higher rate increases in the first 1-3 years of the power supply transition, followed by smaller rate increases for the remainder of the 20-year contract. Although MPE's rates for members have not been set for 2025, after the transition to the new PSA, MPE management anticipates reasonable, consistent rate increases throughout the length of the Guzman contract.

FORMULA RATE VS. FIXED PRICE

Under the Tri-State membership contract, MPE did not have any control of rates. Tri-State could charge MPE its portion of any costs Tri-State incurred through a new rate structure, known as a "formula rate." Any issues MPE had with this rate would have to be litigated in front of the Federal Energy Regulatory Committee (FERC), a costly process. At the time MPE gave notice to withdraw from Tri-State, the Board had concerns that the new rate would drive unexpected rate increases that would make it more difficult for MPE to have certainty around power supply costs going forward.

The opportunity to chart our own course with greater local control, flexibility, and increased price certainty led the Board to choose to pursue the power supply agreement with Guzman. It gives MPE a fixed price for power each year. This helps to minimize wholesale power supply cost fluctuations, allowing for more predictable rate increases. Alternatively, under a formula rate structure MPE would face uncertainty regarding imposed rate increases.

Mountain Parks well positioned to take on financial impacts of power supply transition

MPE's financial performance is strong comparative to co-ops' medians across the U.S. and the state, according to the recent Key Ratio Trend Analysis (KRTA).

The KRTA is a tool developed by National Rural Utilities Cooperative Finance Corporation (CFC) and used by electric co-ops to compare financial and performance ratios historically and with other co-ops nationwide. MPE's CFO/Manager of Finance Emily Meek provided an executive summary overview for the Board at the September meeting.

Along with the strong performance indicators highlighted in the recent KRTA, which used data from 2023 from MPE's and other co-ops' Form 7 (an annual Financial and Operating report filed with the USDA), Meek told the Board that 2024 is tracking to historical performance for MPE. She also let the Board know that for the first two years of the power supply transition starting in 2025, the Board

should anticipate significant declines in the financial ratios. These anticipated declines are related to the contract termination payment and reduction of Tri-State capital credits from MPE's total equity calculation. MPE expected these declines and is comfortable accepting them as a byproduct of the focus on the longer-term benefits this transition will provide to MPE's membership.

Some highlights from the KRTA report include:

- Total members served shows a 5-year trajectory of consistent growth.
- Total utility plant also shows consistent growth; "It is good to see that we are investing in our plant," said Meek.
- MPE's standing in the main ratios associated with financial health shows that our co-op is financially strong and outperforming many of our peers.

MPE will be borrowing money from a bank to fulfill the contract termination payment (CTP) required to exit Tri-State in 2025.

Both of MPE's major lenders – CoBank and CFC – have offered to cover the CTP. This is a credit to MPE's financial strength and illustrates the confidence and support the financial institutions have for this transition. The loan will be paid off over the 20-year timeframe of the new power supply contract.

CONTRACT TERMINATION PAYMENT

Deadline for rebate applications: Dec. 31, 2024

- The current rebate program (www.mpei.com/rebates) is offered in partnership with Tri-State.
- The deadline to submit receipts and requests for rebates through the current program is Dec. 31, 2024.

MPE SCORES ABOVE AVERAGE ON MEMBER SATISFACTION

MPE 4 POINTS HIGHER COMPARED TO AVERAGE COOPERATIVE UTILITY SCORE IN ACSI® ENERGY UTILITY STUDY



Mountain Parks Electric, Inc. (MPE) completed its quarterly member-wide customer satisfaction survey, where members were asked to participate on the MPE website. The member responses were sent to the American Customer Satisfaction Index (ACSI®), a company that measures customer satisfaction across multiple industries throughout the entire United States. MPE received an ACSI score of 82, on a 100-point scale.* MPE's score is higher when compared to cooperative utility scores reported in the syndicated 2024 ACSI Energy Utility Study and places MPE four points higher than the average cooperative utility score of 78, as well as seven points higher than the municipal utilities score of 75, per the industry ratings. For more information, please visit www.theacsi.org.

ACSI® is one of the oldest and most highly regarded industry satisfaction studies which publishes annual customer satisfaction results for approximately 400 companies across about 40 industries and 10 economic sectors based on roughly 200,000 customer interviews

*Compared to publicly measured energy utilities in the ACSI® survey of customers rating their own energy utility. Results based on data provided by MPE, collected between July 3 – Aug. 28, 2024. ACSI did not regulate the survey administration or sample size. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC. For more about the ACSI, visit www.theacsi.org.

MPE IN THE COMMUNITY



(ABOVE) MPE Apprentice Lineman David Honeycutt shows onlookers what can happen when tree limbs or other items make contact with live powerlines. (RIGHT) Troubleman Lineman Monte Crum shows students a burned hotdog from a part of the contact demonstration.

SAFETY DEMO AT NORTH PARK MIDDLE SCHOOL

As a part of MPE's participation in North Park School District's Adopt-A-Class Program, the 8th grade science class and first responders in Walden were treated to a safety demonstration with MPE's demo trailer and linemen. MPE is happy to schedule a safety demonstration with area organizations. Visit www.mpei.com/safety-demos for more information.



MPE SPONSORS E-BIKE PRIZE

MPE member Debbie Lorenz was the lucky winner of a new electric bicycle, a prize sponsored by MPE for the Town of Granby's Trail Completion Ribbon Cutting ceremony for the completion of the last stretch of the Fraser to Granby Trail on Sept. 21. In a thank you card to MPE, Debbie said, "I have never won anything before and can't believe it is something so wonderfully grand! Thank you for donating it. You do a lot of good things for this county."