



POWERLINES



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Make a payment 24 hours a day, 7 days a week by calling our new pay-by-phone number! Just dial 1.877.999.3371 and have your account number handy along with a checking or savings account number or a credit card. The first time you call in you will be asked to select a PIN. Be sure to remember that PIN as you will be asked to use it the next time. Save postage and paper and try this easy way to pay. Watch for details about electronic billing coming soon. **GO GREEN!**



KEC Earns Safety Award

Kootenai Electric Cooperative (KEC) earned a third-place safety award for the least number of injuries for 2010. The award was presented by the Northwest Public Power Association during a conference April 7, 2011, where Northwest utilities from seven states and two Canadian provinces compete annually. The awards are based on hours worked and the number of injuries experienced. KEC employees worked more than 130,000 hours without a lost-time injury in 2010. A good safety record enables KEC to better manage costs which can help save our members in lower energy costs. [1266773]

Your Capital Credit Allocation—Another Benefit of Being a KEC Member

When you signed up to receive electric service from KEC, you became a member—and an owner—of an electric cooperative. While investor-owned utilities return a portion of their profits back to stockholders, electric cooperatives “allocate” capital credits to their members.

Capital credits represent your share of KEC’s operating margins (operating revenue remaining after operating expenses). The amount allocated or earmarked in your name depends on the energy you purchased in a year. To calculate this allocation, we divide your annual energy purchases by the Cooperative’s operating margins for the year. The more electricity you buy, the more capital credits you earn. [1590634]

The amount of the 2010 capital credit allocation for your account will be mailed to you in late June. Your 2010 capital credit allocation is added to any total capital credit balance held in your name. The balance in your capital credit account is the sum of your allocations earned to date, minus your annual refunds issued to date.

Capital credits are not dollars in a bank somewhere. Capital credits represent funds that have been invested in the Cooperative’s utility plant. Over time, they are refunded (or “retired”) to members. Last year, more than \$400,000 in capital credit allocations were retired for usage in 1980 and part of 1981. Capital credits allocated prior to 1981 have already been retired. Sharing the profits of our business is just another benefit of your ownership in a cooperative.

General Manager's Message: Filling the Generation Gap



Electric co-ops have important energy choices to make. Forecasters predict energy demand will eventually outpace supply. The KEC Board of Directors and management are working each day to manage power costs for our members. These are complex issues that involve both governmental and environmental regulations.

At KEC, we purchase all of our electricity from the Bonneville Power Administration (BPA). This low-cost electric power is produced by the federally-owned hydro facilities operating in the Pacific Northwest. However, these facilities have limited capacity and that capacity has recently been reached at peak times. In addition, BPA's wholesale power cost will increase October 1, 2011. This increase will be passed through to members as a Wholesale Power Cost Adjustment on their power bill.

We've encouraged you to be efficient in your usage of electricity both for your sake (lower electric bills) and to help mitigate the need to build new generation sources. You've certainly done your part. But with an ever-expanding population, these measures are not enough to completely offset escalating energy demand. We face higher costs as additional power costs much more to produce.

Traditional power plants (coal, natural gas, nuclear) take between three years and a decade to build—not leaving much wiggle room before shortages become a reality. Renewable energy resources, notably wind farms, can be constructed more quickly, but they're not perfect options. It may sound cliché to

say the wind doesn't always blow, but it's the truth—and we don't believe you would be satisfied with only having power 40 percent of the time.

At KEC we're focused on affordability and meeting your energy needs. That's why we're building the Fighting Creek Landfill Gas Project. This facility will provide some of that additional needed electric power. When compared to other alternatives to provide you electricity, this investment will save the Cooperative between \$4 million to \$20 million over the next 20 years.

The facility is capable of producing up to 3.2 megawatts of electrical power. That is equivalent to the annual electrical needs of more than 2,000 households served by KEC. The amount of power produced is dictated by the amount of fuel produced by the landfill. The facility will produce power from surplus methane gas supplied from the landfill by the end of 2011. See details about the facility construction below.

We appreciate your support as we continue to make critical and time-sensitive choices. We'll keep you informed about these issues as they happen. Balancing your energy needs with electricity reliability and affordability is one more way we're *Looking Out for You.*



Doug Elliott
General Manager



Landfill Gas Project Construction Update

After an initial delay due to wet and soggy conditions at the site, construction is making good progress. Noble Construction of Libby, Montana was awarded the excavation portion of the project and is busy hauling in fill to create a flat pad for the generator building to be constructed on. Power City Electric of Spokane, Washington is installing the underground electrical ducts that will eventually carry the power from the site's generators to KEC's electric distribution system. KEC is presently accepting bids from prospective general contractors to construct the building and install the generators. We hope to have the general contractor selected in June.

Safety Reminder: Don't Use Power Poles to Post Signs

Signs placed on our poles are a safety hazard for our linemen and crews. KEC does not allow the placement of signage on its poles or other electrical equipment. This includes real estate signs, garage sale signs, political/election signs, and sales or promotional materials. Title 18, Section 7029 of the Idaho Statutes makes this a punishable crime. Our crews routinely remove and dispose of signs posted on KEC's property. Please help us keep our crews safe by not using our poles for signage.



GOLF CLASSIC TO BENEFIT SCHOLARSHIP PROGRAM

The 12th Annual KEC GolfOur annual golf tournament is set for Friday, July 15, 2011, at Twin Lakes Village Golf Course. The tournament benefits the Kootenai Electric Trust's Operation Round Up® Scholarship Program. Teams, sponsorships and donations needed. Call 208.292.3270 for details.

WIN A \$50 ENERGY CREDIT

Four KEC account numbers are hidden in this newsletter. If one of these numbers is yours, contact us at 208.765.1200 and receive a \$50 credit on your bill!

BOARD OF DIRECTORS MEETING

Members are welcome to attend KEC's monthly Board of Directors meetings. Meeting dates vary each month. Call Terry Brown at 208.292.3211 to learn more.

Kootenai Electric Trust Awards 2011 Scholarships

Kootenai Electric's Trust Board awarded \$1,000 scholarships to 10 KEC members. The following students were selected:

- | | |
|--------------------------------|--------------------------------------|
| * Bethany Bothwell, Hayden | * Desiree Randolph, Post Falls |
| * Rylann Carney, Athol | * Emily Roman, Post Falls |
| * Emily Cazier, Athol | * Corinne Van Ostrand,
Post Falls |
| * Andria Hendricks, St. Maries | * Jake Willard, Plummer |
| * Jennifer Mitchell, Plummer | |
| * Clyde Mooney, Coeur d'Alene | |

The Trust Board has awarded 50 scholarships since 2007 and plans to offer the scholarship program again early next year. Congratulations to all the winners! [1682333]



Several scholarship winners attended the Annual Meeting and were awarded their scholarships by Kootenai Electric Trust Board President Catherine Tinder and KEC General Manager Doug Elliott.



Save Using Your Co-op Connections® Card!

Join other KEC members who have saved more than \$45,000 on prescriptions since 2007!

Here's how it works: Show your card at the pharmacies on the right. You will receive the best price available to you through this program at the pharmacy. On occasion, pharmacies will price a particular medication lower than the discount rate provided by the card. If that occurs, you will receive the lower price. [1254700]

This plan is not insurance; it is a pharmacy discount offer. The card provides immediate discounts at the pharmacy. Upon presenting your card to the pharmacist, you will pay the lower of a discounted price or the pharmacy's regular retail price. There are no forms to fill out and no limit to the number of times you can use the card. These discounts are available only at participating retail pharmacies. Need a card? Call us at 208.765.1200.



Use the new iPhone or iPad app to view card discounts! Android and Blackberry apps to come!

Use your Co-Op Connections Card at these area pharmacies:

- * Asthma & Allergy of Idaho
- * Benewah Medical Center
- * Costco Pharmacy
- * Fred Meyer Pharmacy
- * Jack's Pharmacy
- * Kmart Pharmacy
- * Kootenai Cancer Center
- * **Medicine Man Pharmacies:**
Coeur d'Alene (Ironwood Dr.), Rathdrum and Post Falls
- * Rathdrum Drug
- * Rite Aid Pharmacy
- * Safeway Pharmacy
- * Savon Pharmacy
- * Shopko Pharmacy
- * Walgreens
- * Wal-Mart Pharmacies
- * Well Life Pharmacy

You'd be shocked how much energy your old fridge is eating.



Receive a \$30 rebate for recycling your old refrigerator or freezer!

Save energy, save some money and help the environment. An older refrigerator actually does as much damage to the environment as two cars can do in a year. What's more, older appliances can use three to four times more electricity than new models, eating up hundreds of dollars a year in utility bills. So give us a call and recycle that old fridge or freezer. We'll pick it up for free, plus you'll get \$30.

For a pickup call 1.877.577.0510 or visit www.kec.com.

*Refrigerators and freezers must be in clean, working condition and must be a minimum of 10 cubic feet in size, utilizing inside measurements. KEC contracts with JACO Environmental, an appliance recycler, to pick up and recycle refrigerators and freezers. This program is funded by KEC and is available to its single-family residential members on a first-come, first-served basis until funding is expended. Members must own the unit(s) being recycled. Limit two units per residential address. A check will be mailed to the KEC member within 4-6 weeks after the appliance collection.