

EMPIRE ELECTRIC ASSOCIATION

Echoes of the Empire

JULY 2024

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MANAGING FOR RISK

BY ANDY CARTER MEMBER ENGAGEMENT MANAGER



ANDY CARTER

Did you know that half of passenger vehicle occupants killed in crashes in 2022 were not wearing seat belts¹? And more than one third of home fire deaths result from fires in homes without smoke alarms². Car crashes and house fires are just two examples of risk present in our lives. These statistics point out that if we take action to mitigate the risk, our chance of a good outcome is much higher.

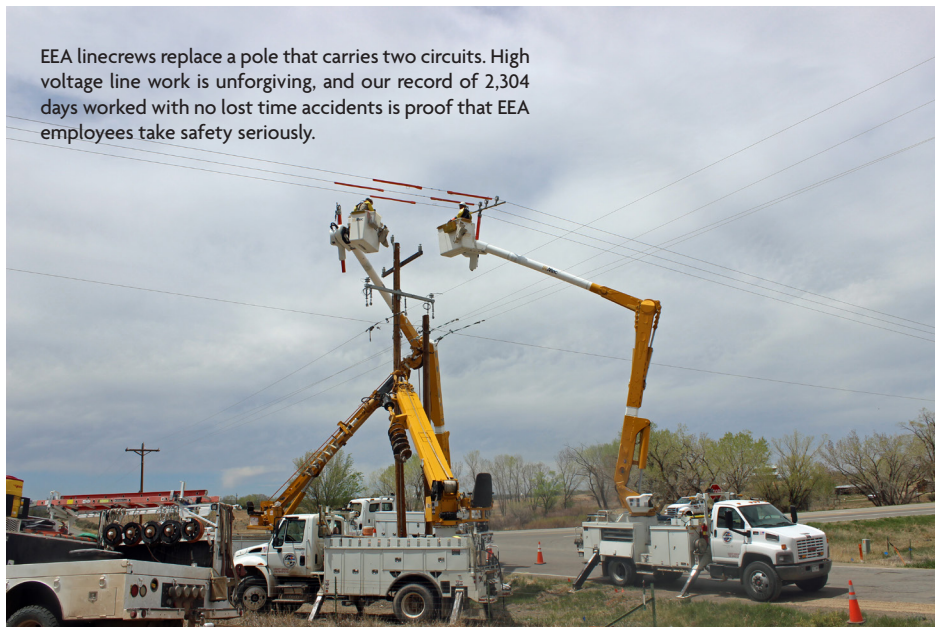
Empire Electric Association has risk just like our member-owners. We recognize the importance of not just keeping the lights on today, but also in being here to keep the lights on for many years to come. To be able to do that, EEA must take actions in every aspect of our business to make sure we are prepared when events take a turn for the worse.

The first risk we usually think of is the risk impacting people and property. EEA has an extensive safety program that aims to increase situational awareness and hazard recognition to keep you and our employees out of harm's way. Employees share "near misses" during monthly safety meetings to discuss recent experiences avoiding accidents. Every crew performs a job briefing that addresses hazards present in the workspace as well as special considerations for the tasks being performed prior to beginning work.

Regular inspections are made on equipment including ladders, personnel protective gear, and the booms on our line trucks. We also perform periodic inspections on protective devices and visually inspect different parts of our distribution system on a rotating basis.

A key part to maintaining high reliability and reducing damage to our system is vegetation management or tree trimming. We inspect our lines on a rotating five-year schedule to make sure our lines are clear of intrusive vegetation. EEA contracts with qualified third parties that follow best practices as prescribed by the National Electric Safety Code and the International Society of Arboriculture. Wildfires are also a concern in areas with heavy vegetation. EEA adjusts its protective equipment settings in high fire danger areas to minimize the risk of vegetation contacting a line starting a fire. This may result in more outages for members in

EEA linecrews replace a pole that carries two circuits. High voltage line work is unforgiving, and our record of 2,304 days worked with no lost time accidents is proof that EEA employees take safety seriously.



those areas, but the inconvenience of more outages is preferred to the potential destruction that can be caused by a wildfire.

Another area of risk that EEA manages is financial risk. EEA must remain financially viable if we are to continue to provide members with safe and reliable power. This begins with the basics of properly designing rates to recover the cost of providing service and incorporating accepted business practices, such as collecting deposits from new members until they establish a good payment history, and managing collection of delinquent accounts.

EEA's finance department also manages the co-op's cash flow and debt to meet the requirements of EEA's Financial Goals policy. EEA's Finance Manager Ginny Johnson stated, "As a member-owned rural electric co-op, we are risk averse and know that members depend on us to be here for the long haul. That means mitigating risk by incorporating best-practice policies and adhering to the cost-causation principle to keep things fair, and to reduce subsidies between rate classes and within rate classes themselves."

Johnson said annual financial audits are conducted to ensure EEA is meeting required standards and to identify weak areas that need attention before they become a problem. She also mentioned EEA uses a variety of insurance products to protect against large expenses that may occur and are outside of our control.

An area of risk that continues to grow is information technology. The electric industry continues to see new technology being introduced to improve reliability and flexibility and help reduce costs and provide more choice for members. Much of the new technology brings additional risk as the number of devices that are connected to the internet grows. As the number of devices and connection points grow, so do the opportunities for bad actors seeking to steal information or disrupt power delivery.

EEA Information Technology Manager Heather Romero said, "The protection of our consumers and our cooperative is always at the forefront of our decisions. An attacker only has to be right once



▲ An automatic circuit recloser is a protective device that opens the circuit when it senses a rapid rise in current flow caused by a ground fault. The ACR will reconnect the circuit automatically after a programmed delay up to three times. EEA will change ACR programming on units in high fire danger areas to require the circuit remain open on the first function. This reduces the risk of a power line causing a fire.

whereas we have to be right every time." To that end, Romero has continued to step up employee training to ensure that we are prepared to thwart cyberattacks before they do any damage. She and her team also continuously monitor our IT infrastructure for signs of attacks and are continuously updating software and hardware to ensure we have the best defense possible.

EEA cannot avoid every kind of risk, but we can take actions that reduce our exposure and limit the consequences when mishaps occur. Our focus continues to be on providing safe, responsible, and reliable service to our member-owners. Thank you for your support as we continue to work through the challenges we face.

¹NHTSA 5/23/2024 <https://tinyurl.com/2r6knh4v>

²NFPA 5/23/2024 <https://tinyurl.com/yd67uezc>

ENERGY EFFICIENCY

TIP OF THE MONTH

Lighten the load on your clothes dryer. Before you dry a load of damp clothing, toss in a clean, dry towel. The towel will absorb excess water and shorten the drying time. If your dryer does not include an autosense feature to determine drying time, remember to reduce the timer to about half of what you normally would. Remove the towel about 15 minutes after the cycle begins. Shorter drying times will extend the life of your dryer and save energy.

Source: [homesandgardens.com](https://www.homesandgardens.com)



Congratulations! 2024 EEA Scholarship Winners



Cody Alexander
Homeschool



Kahryme Alvarado
Monticello HS



Austin Anderson
Dolores HS



Talissa Bahr
Adult



Jacob Belt
Homeschool



Jasper Breitenbach
Adult



Toney Buffington
Dove Creek HS



Curtis Bunker
Monticello HS



Catharine Busing
Adult



Jake Butler
Homeschool



Kenneth Chadd
Dove Creek HS



Iinanibaa Cordova
Adult



Melissa Davis
Dove Creek HS



Braxton Dennison
Mancos HS



Kaley Fizzell
M-CHS



Kalie Gatlin
Dove Creek HS



Hunter Goodall
M-CHS



Tanner Hite
Mancos HS



Coleman Hoover
Adult



Broc Imel
Mancos HS



Akima Kane
Mancos HS



Vanessa Kee
Adult



Andelin Lanier
M-CHS



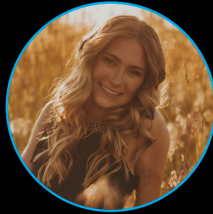
Brooklyn Lee
Dolores HS



Ashlyn Mikkelson
Dolores HS



Aunica Narajo
M-CHS



Danika Oliver
M-CHS



Chesnie Patrick
M-CHS



Shayla Pehrson
Monticello HS



Barbara Perkins
Adult



Jonathan Purkat
Dolores HS



Avery Stieglmeyer
Dolores HS



Kail Wayman
Mancos HS



Sheldon Whitmer
M-CHS



Ronin Wise
Mancos HS

Affordability Focus Brings Results

Empire Electric Association recognizes the importance of keeping power service affordable. One way to measure improvement is benchmarking with peers. The Colorado Association of Municipal Utilities conducts a semi-annual rate survey of all electric service providers in Colorado that compares total bill amounts using appropriate energy use profiles for each rate class.

EEA has improved its ranking among the other 26 rural electric cooperatives that serve Colorado over the last several years. We have achieved this by controlling costs and restructuring rates to remove subsidies within rate classes. These reductions have been made in the face of record inflation and a rapidly changing industry. Keeping mission focus has allowed us to maintain reliability of 99.97% and set a new EEA record of 2,304 days worked without a lost time accident. We appreciate your support as we strive to provide safe, responsible, and reliable electric service.

Year	EEA Monthly Residential Bill	*Co-op Rank
2020	\$113.23	18th
2021	\$113.23	14th
2022	\$109.57	14th
2023	\$106.42	11th
2024	\$104.28	9th

Member using 700 kWh with 5.37 kW Demand

Year	EEA Monthly Small Commercial Bill	*Co-op Rank
2020	\$280.77	20th
2021	\$267.25	15th
2022	\$258.87	17th
2023	\$258.87	15th
2024	\$261.92	12th

Member using 2,000 kWh with 10 kW Demand

Year	EEA Monthly Large Commercial Bill	*Co-op Rank
2020	\$5303.40	19th
2021	\$5303.40	17th
2022	\$4736.22	11th
2023	\$4556.74	5th
2024	\$4495.67	5th

*Rank as reported in the Colorado Association of Municipal Utilities
45,000 kWh usage/130 kW Distribution/65 kW G&T

EEA Senior Engineering Technician Greg South Retires

After more than 25 years of faithful service to Empire Electric Association, Senior Engineering Technician Greg South retired on June 20. Greg started with EEA on October 12, 1998, as a meter reader after having worked at Salt River Project, an electric and water provider in Arizona, for 12 years in the same capacity. Greg also worked as a meter technician, warehouse helper, and for the last several years as an engineering technician. Members who have worked with Greg on installing a new service or upgrading an existing one know just how much EEA appreciates the work Greg has done on our behalf. His attention to detail and understanding of how to construct connections safely and

economically to our grid have been a great benefit.

Greg said his favorite part of working for EEA were the people he was able to meet, and the chance to see the more remote areas of our service territory. His plans for retirement are to travel, take care of projects at his home, and enjoy the life God has given him. Please join us in thanking Greg for his many years of service and wishing him all the best in his retirement.



Greg South, Senior Engineering Technician.



Monthly Calendar & Co-op Photo Contest Winner

July 4 – Independence Day. EEA office closed.

July 12 – EEA's board meeting begins at 8:30 a.m. at its headquarters in Cortez. The agenda is posted 10 days in advance of the meeting at eea.coop. Members may attend in person or remotely. Instructions to attend remotely are included on the agenda.

Sunset Wheat by Charlotte Daves