



"Lower Valley is My Energy Cooperative."

Pat Poletti / Kendall

energyEDGE

KENDALL, WYOMING



Your Cooperative Newsletter • Fall 2006

Notes From Our President/CEO

On October 1st Lower Valley Energy's electric rate went up approximately 7%. Two years ago when we began our concerted effort to work on and talk about the pending changes, it appeared that the increase would be about 25%. The rate examination process looked extensively at power supply and cost of service, involved public forums and hearings, and culminated in Board and Wyoming Public Service Commission (PSC)

approval. (PSC approval is on an interim basis and could be subject to change.) This is our first rate increase in 12 years. As President and CEO of Lower Valley Energy, I would like to thank our Member Advisory Committee, Board of Directors, Staff and Bonneville Power Administration (BPA) for 2 years of diligent effort to minimize the potential impact of the rate increase to you, our members.

New technology, productivity gains, reduced outage time, equity management tools and cost reduction efforts all aided in reducing the final rate increase to 7%. We were, and still are, determined to meet our goal of maintaining some of the lowest electric rates in the country.

We must also give credit to BPA for their efforts to reduce the wholesale rate increase to Lower Valley Energy from 50% to 30%. Three major factors played a significant role in their rate reduction efforts. First, BPA allowed Lower Valley Energy and others to help them review all of their costs in search of areas for improvement in a process they called the Power Function Review. Second, several

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customers, such as Lower Valley Energy, agreed to prepay a quarter of their annual power bill to Bonneville if their financial reserves fall below predetermined parameters. Lastly, 2006 has been the first average water year in the last 7, allowing Bonneville to replenish depleted financial reserves.

At Lower Valley Energy we are not happy with any rate increase, and strive to give our members the best energy value possible. However, we appreciate the efforts of many to minimize the impact of rising energy costs to our members. As a cooperative, you have our commitment to deliver reliable, low-cost energy and great service.



James R. Webb
President/CEO

Visit LVEnergy.com for more information!

One Of Our Own Heads To Iraq

Cal Nield, a Jackson lineman and member of the Wyoming National Guard's 1041st Engineering Company, left for Iraq in September. In addition, our Director of Electric Operations, Bill Spaulding, has two



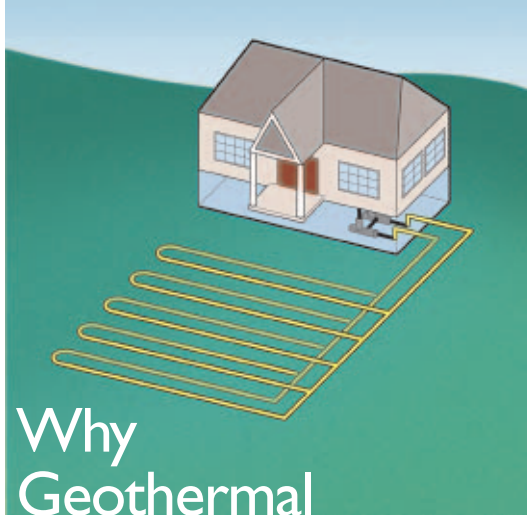
Cal Nield

very close family members in the 1041st: his son, Jason, and his nephew, also Bill Spaulding. The unit trained in the grueling Mississippi heat most of the summer in preparation for security operations during their year-long stint in

the Middle East. We wish to extend our deepest support for Cal, Jason, Bill, and the rest of the Wyoming National Guard.

7 Cooperative Principles

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



Why Geothermal

Heat Pumps Make A Lot Of Sense

Geothermal heat pumps (GHPs), a heating (and cooling) system, is arguably the best way to heat your home. By using the ground's natural energy, a GHP efficiently conditions the space of your home with little to no negative side effects.

GHPs use the heat that lies just below the earth's surface at a relatively constant temperature. This heat/energy is pulled from the ground and essentially used in the house to heat (and cool in the summer) and provide hot water. The majority of electricity is used in the heat pump itself to pull the earth's thermal energy out of circulating tubes in the ground and convert it to heat the air in the home.

According to the U.S. Department of Energy's National Renewable Energy Laboratory, "GHPs can reduce energy use by 63-72% compared to electric resistance heating." Using a different example, for every unit of electrical energy used in a very efficient natural gas furnace, approximately .94 units of energy are delivered. Whereas with a GHP, for every unit of electrical energy used, up to 4 units of energy are delivered!

Besides the financial incentives, there are tremendous environmental benefits in using a GHP. WaterFurnace International, a leader in the GHP industry, highlights the fact that there is no combustion, and that no fumes, carbon dioxide, carbon monoxide

or other greenhouse gases are produced during operation.

One of the best examples of a GHP in the area is the Wilson Elementary School, which benefitted from technical and some financial support from Lower Valley Energy. In an effort to lower the cost of installing a GHP system, we offer up to a \$3,000 incentive. Please call our conservation specialist Wid Ritchie (at 307-885-3175) for more information.

Visit www.LVEnergy.com for the full story!

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The Newsletter From
YOUR Energy Cooperative



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