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Lincoln Electric  
Cooperative, Inc.

# Press Release

## Lincoln Electric trustees announce first rate increase in four years

### New rates will increase Co-op's annual revenues by 15 percent

Eureka, MT January 30, 2006

At their regular monthly board meeting in January, Lincoln Electric Cooperative trustees approved new rate schedules that will provide the Co-op with an average 15 percent increase in annual revenues beginning this spring. The increase, the first for Lincoln Electric members in 4 years, comes as a result of increasing power supply and operating costs, higher debt, and declining revenues due to loss of industrial loads. LEC's wholesale power supplier, Bonneville Power Administration, will be increasing wholesale power costs by 14.5 percent this year. In addition, capital outlays to finance ongoing system improvements that bolster reliability have increased significantly.

An average residential member who uses 1,250 kilowatt-hours a month will see their monthly bill increase about \$11, from \$66.50 to \$77.87. The new rates are effective after the April meter readings and will first appear on member's bills received around the first of June.

"This needed increase will cost an average member another 38 cents a day to provide their home with all the benefits electricity provides," said Manager Mike Henry. "And LEC remains one of the lowest cost providers of electricity in the State of Montana, and the region. (See bill comparison chart below) The bottom line is that our rates are designed to provide service at cost, and as costs increase to provide those services, we need to adjust our rates accordingly," said Henry.

While the new rates will provide an overall 15 percent increase in annual revenues, which amounts to about \$840,500 a year, different rate classes will see different percentage increases. See the table below for rate changes by rate class.

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*more*

Rate Class	Basic Charge		Energy/kWh		Demand/kW		Ave. Increase By rate class
	Old \$/mo.	New \$/mo.	Old \$/kWh	New \$/kWh	Old \$/kW	New \$/kW	
<b>Residential</b>	\$14	\$17	\$0.042	\$0.0487	N/A	N/A	17.1%
<b>Small Comm.</b>	\$14	\$17	\$0.042	\$0.0487	N/A	N/A	16.8%
<b>Irrigation</b>	\$27	\$33	\$0.037	\$0.0451	N/A	N/A	22.0%
<b>Large Comm.</b>	\$30	\$33	\$0.035 *	\$0.0386 *	\$4.25	\$4.70	10.4%
<b>Industrial</b>	\$170	\$188	\$0.035 *	\$0.0386 *	\$4.25	\$4.70	10.4%
<b>Total System</b>							15.0%

\* Includes Line and Transmission Charge

Municipal street lights and security light rates will also increase an average of 21.8 percent. In addition, the Cooperative's 10 percent discount for low-income seniors and low-income disabled members will remain in effect for their primary service.

Lincoln Electric Cooperative's serves over 3,500 members scattered over 1,125 square miles in northeast Lincoln County and northwest Flathead County, including the communities of Bissell, Olney, Stryker, Trego, Fortine, Eureka, Rexford and the West Kootenai.

**Electric Bill Comparison with Neighboring Utilities**  
(based on average LEC residential usage of 1250 kWh/month)

