



BUSINESS OPERATIONS – August 13, 2015

Scope of Work for LRP Disposition Continues Into Next Phase. At its July 30 meeting the ARPA Board of Directors approved the next phase of the asset recovery project for the Lamar Repowering Project (LRP). The Board voted to issue an RFP (Request for Proposals) for contractors to perform utility disconnects and temporary power feed for the LRP equipment, and approved engineering services with HDR Engineering.

Earlier this year the Board entered into a Sales Agent Agreement to sell the LRP assets, the disconnect work is one of the initial steps that is necessary in the sales process. This work will prepare the LRP for a future sale and should reduce operations and maintenance costs associated with the plant. The installation of the temporary power feeds will ensure adequate equipment preservation until the LRP assets are sold.

The engineering services are designed to take the asset recovery process through final plant disposition. The Scope of the engineering includes among other things, project management, oversight of equipment dismantling and removal, environmental (and permitting), and demolition and final site grading.

ARPA Board Hears Report on Cost of Service (COS) Study. The ARPA Board contracted with JK Energy Consulting to perform a COS electric rate study that would focus on keeping member's rates stable and include the potential of developing an incremental rate that would encourage load growth. The COS study identified options that would be revenue neutral to ARPA and its members (based on historic sales) but would include an "Incremental Rate" for sales above approximately 80% of the member's average usage. A base rate would be implemented that would capture the majority of ARPA's fixed costs and an Incremental Rate would be implemented that would capture the marginal costs of power supply and transmission above the 80% threshold. The Board took the report under advisement and will continue to evaluate its options.

Next ARPA Meeting. The next regularly scheduled meeting of the ARPA Board is Thursday, August 27, 2015, beginning at 10:00 a.m. in Lamar at the Cultural Events Center. The meeting will be preceded by a lighting dedication ceremony beginning at 9:00 a.m. at the Cultural Events Center. Both the meeting and ceremony are open to the public.

ARPA Welcomes New Appointee to its Board of Directors. The Town of Springfield appointed Beritt Odom to the ARPA Board effective July 9th. Ms. Odom recently joined the Staff at City Hall in Springfield and serves as Springfield's Town Manager.

LED Lighting Project Continues. Lighting dedication ceremonies have been held in the Woodruff Memorial Library in La Junta, the Las Animas/Bent County Library, and the Baca County Resource Center in Springfield to recognize the LED lighting conversions in those facilities. To date, ARPA has invested approximately \$105,000 in the lighting project in its six member communities that has resulted in an estimated annual energy savings of over \$15,000 for its members.