



SIERRA ELECTRIC COOPERATIVE, INC.

MEMBER NEWSLETTER January, 2010

Fear of failure must *never* be a reason for not trying.
Frederick Smith
Founder, Federal Express

It is hard for me to believe that this newsletter begins the ninth year of being with Sierra. In addition, as events turn out, it will be my last.

For me it has been an enjoyable experience working for the Board, with the employees and the members of Sierra Electric. My previous work had been in the high voltage segment and working for Sierra on the distribution side gave me a new perception into the electric utility business. I enjoyed the time spent. The Board of Sierra has hired my replacement who will begin February 15 (first workday will be the 16th). He has several years experience with other rural distribution systems in New Mexico working with both the outside crews and the office personnel.

Sierra has grown steadily in the past eight years and, I would expect that to continue or even increase. New members are good for the Cooperative and the entire area. The Spaceport will have an influence in the area as far as dollars spent and additional tax revenue available for our community and especially for our schools. Sierra has entered into an electrical service agreement with the New Mexico Spaceport Authority to supply power to that facility and our plans are to begin construction of our facilities sometime in late June with completion in December.

In other areas, we have installed several hundred lighting arresters on the Sierra lines whose purpose is to shunt lightning strokes to ground, precluding lighting related outages. I think these have worked very well as our outage rate has dropped significantly. We have instituted a program of voltage control to help maintain proper levels throughout the system. We had to make a rate increase effective for the first time since 1994. That is a long time and credit for such longevity lies with the Board and employees of the Coop. Everyone has worked to keep costs down and service up. Costs of equipment, materials, wages, and insurance finally made the increase a necessity.

We have completed studies of areas requiring special attention and have given that attention to the replacement of wood products which have provided many years of service but which have succumb to the effects of aging. We have upgraded Sierra's sectionalizing and protective equipment whose function is to protect the lines and other equipment from harmful over-voltages and incidental line contacts. In my opinion, these things and the installation of lighting arresters greatly enhanced system operation.

I bid you farewell and am confident that with the guidance of the Board and the dedication of management and employees of Sierra, there are nothing but good things to come to the biggest little Coop in the area. Thank you.