

BECOMING A MEMBER OF LINCOLN COUNTY POWER FAQS

Is Lincoln County Power District No. 1 a private business?

On occasion we have customers ask us what Lincoln County Power is. The most common misconception is that we are a private company, similar to what they may have experienced if they previously lived in a large metropolitan area and received electric service for a major utility. Lincoln County Power is not a private company with stockholders. Those type of utilities are called investor owned utilities. Rather, we are a public power utility. For a full explanation of these two utility types, see the next two questions.

What is an investor owned utility?

The most common type of electric utility is the investor owned utility. These are the large utilities that generally serve metropolitan areas. These businesses are usually owned by shareholders and like any business they are operated to generate a rate of return for their shareholders. Because these utilities are operated for a profit and because they are monopolies with designated service areas, they are regulated by state governmental agencies. In Nevada it is the Public Utilities Commission of Nevada (PUCN). Among other things the PUCN sets the rate of return the investor owned utility can earn, determines the areas the utility can serve, and works to resolve customer complaints against the investor owned utility. If you moved to Lincoln County from Las Vegas, Reno, Salt Lake City, or many of the cities in southern California your electric service was probably provided by an investor owned utility.

What is a public power utility?

The other type of electric utility is the public power utility. These utilities are rural electric cooperatives, municipal electric systems, or power districts (in some states called utility or electric districts) such as Lincoln County Power. Unlike large investor owned utilities that operate with a profit motive, public power utilities in Nevada operate with the guiding principle of serving the public good. In other words, they construct, operate and maintain the electric system with the intent of providing safe, reliable, affordable electric service for the common benefit of all customers in our service area, as opposed to making a profit for shareholders. In addition, public power utilities are governed by the people they serve.

How is Lincoln County Power governed?

Lincoln County Power today operates under Chapter 318 of the Nevada Revised Statutes and is governed by a five-member board of trustees. These board members are elected to four-year terms (unless filling a vacancy, in which case the term may be shorter). The board of trustees sets high level policy, complies with fiduciary responsibilities and directs the general

manager of Lincoln County Power. Planning, management and operation of the Power District is delegated to the general manager and Lincoln County Power staff.

Why is local governance important?

Nevada's public power utilities are controlled and regulated by their local boards. These boards are democratically elected by their members. Public power systems adhere to the principle of "one-person, one-vote." Whether a farmer with thousands of acres or a retiree living in a small house, each member of Lincoln County Power has the same voting power when casting a vote for a candidate for the board of trustees. Like any elected official, each member of Lincoln County Power's board must run for office and serves for a specified term. As such, Lincoln County Power is locally regulated, and not under the jurisdiction of the PUCN. When decisions are made and policies are adopted by the board of trustees, they take into consideration all member and customer interests. These decisions are tailored based on the specific needs of the area Lincoln County Power serves. Because of this, public power utilities in general tend to lead the industry in many areas including technology adaption, in programs involving energy efficiency, and in customer satisfaction.

Are public power utilities really better than other types of utilities?

Since we are a public power utility, we obviously think it is the best utility model. But we are not the only ones that think public power utilities are the best model. This fact is demonstrated by data released by the American Consumer Satisfaction Index (ACSI), for 2017. In the ACSI index, which is based upon surveys of utility customers, electric cooperative consumer members are shown to be significantly more satisfied with their cooperative utility provider than consumers who receive power from investor owned utilities. Cooperative utilities received an average satisfaction score of 78 in 2017 while investor owned utilities received an average score of only 75. Given the small number of power/utility districts, ACSI does not maintain a separate category for these types of public power utilities.

How long has Lincoln County Power been around?

Lincoln County Power was created on June 24, 1935. Lincoln County Power and the City of Boulder City, two of the public power utilities in Nevada, have the distinctions of being the longest continuously operating electric utilities in the state without corporate organizational change such as buyouts, sales, mergers, consolidations, restructuring, or name change. Lincoln County Power has been providing electric service to our neighbors, friends and relatives for over eighty years.

What is the difference between a member and a customer?

Lincoln County Power has both members and customers. A member is an individual who receives electric service from Lincoln County Power on property that is within the boundaries of Lincoln County Power. A customer is an individual who receives electric service from Lincoln County Power on property that is **NOT** within the boundaries of the district. This situation, where we have both members and customers is the direct result of the unique history of Lincoln County Power. The driving force that created Lincoln County Power in 1935 were the mines and mills in and around Pioche. Consequently, the district boundary of Lincoln County

Power originally only encompassed the areas around Pioche, Caselton and parts of Dry Valley. In contrast, the service area of Lincoln County Power has now been defined to include all of Lincoln County and part of Clark County. The difference is that Lincoln County Power can provide retail and wholesale electric service to all of its customers in its designated service area, but only those customers who are in the district boundary of Lincoln County Power are actually members.

Why should I become a member of Lincoln County Power?

Members and customers each get electric service from Lincoln County Power. Members and customers also each pay the same rates for electric service. So what's the difference? The difference is local democracy. Members of Lincoln County Power may vote for the board of trustees and may serve as members of the board of trustees. Participation in the democratic process is important. Anyone, be they member or customer, can come to meetings of the board of trustees and offer their comments and suggestions. But to be able to vote and run for an office is what defines true democracy. Becoming a member opens the door to this full democratic participation.

How do I become a member of Lincoln County Power?

If you are not a member of Lincoln County Power, it is easy to become one. Just fill out a petition to have your property included within the district boundary. The petition form can be found on our website (www.lcpd1.com) or you can call the office and we will provide you with the necessary form. You will need to know the parcel number for your property. The parcel number can be found on the Lincoln County website (www.lincolncounty.org). Go the Assessor's Office page and click on the link for data search. Once you submit your completed petition, we will review the petition to make sure it is properly completed and that the property meets all requirement for inclusion in the boundary of Lincoln County Power. If it does, the board of trustees will act on the petition in a publicly noticed meeting.

Is there a cost to become a member?

Lincoln County Power does not charge a membership fee. But because the petition is a legal document that will be recorded with Lincoln County, it must be signed in front of a notary. Some notaries do charge for this service. Lincoln County Power does have a notary on staff. If you bring the petition to the office, our notary will notarize it at no charge.