

FAQ's

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If you do not find the answers to your questions please feel free to contact us.

Lamar Light and Power FAQ's

When is my bill due?

Your utility bill is mailed out on the 1st day of the month, and is due by the 10th day of the month.

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What are the electric/water deposit requirements?

Electric Deposit
\$50.00

Electric Connect Fee
\$15.00

Water Deposit
\$60.00

Water Connect Fee
\$20.00

We will provide connect and disconnect services to the following areas free of charge only on the days specified below. Service on any other day of the week can be requested, but a fee will be assessed for service rendered on the other days as shown below.

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Tuesdays (Free of Charge)

Wiley

\$4.00 Mileage Fee
(Mon. Wed. Thurs. Fri.)

McClave

\$6.00 Mileage Fee
(Mon. Wed. Thurs. Fri.)

Fridays (Free of Charge)

Bristol

\$8.20 Mileage Fee
(Mon. Tues. Wed. Thurs.)

Hartman

\$10.80 Mileage Fee
(Mon. Tues. Wed. Thurs.)

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Do you take Credit/Debit Cards?

Yes we do! Check us out on our Home Page, just click on the "Pay Your Bill Online" button to set up your account and pay your utility bill online.

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Have you raised your rates?

The last rate increase on the electric portion of your utility bill was assessed on May 1, 2004. We have not raised our base rates since that time.

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Why is my usage so high?

There are a number of factors that could make your bill higher than normal. To determine the best answer to this question you will need to think about your electricity usage changing for any reason. For example, was there a vacation during that billing period, when more people were home for longer periods? Was there a change in weather, prompting you to use your air conditioner or heating system? Is it possible that you have a problem with one of your appliances, such as a faulty thermostat on a heater, or a well pump that is running constantly?

Here is additional information corresponding with the above scenarios to consider if your bill seems higher than normal.

- Billing Period: In a billing cycle, the number of days may range anywhere from 28 to 33. That's a possible difference of five days from one billing period to the next. Also, the billing cycle may include five weekends, a time of increased electrical use for many households.
- Seasonal Items: Appliances and other equipment used at different times of year (air conditioners, dehumidifiers, hot air furnaces, etc.) can make a significant difference in your electricity usage.
- A Full House: Times of higher occupancy and activity, like holidays and school vacations, can cause your energy use to be higher than normal.

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I never see the meter reader. How do I know my meter is being read?

Lamar Light and Power uses an Automated Meter Reading Program commonly known as a Turtle Meter. For the past several years our metering department has been working toward converting traditional residential meters with the Turtle Meter. How does it work? Every 27 hours each meter sends a read to the receiver and the receiver is read daily. This eliminates the need for a meter reader to walk through yards, and take manual reads each month. Nearly all of our residential meters are Turtle Meters and we plan to begin converting commercial meters in the near future.

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Repowering FAQ's

Why Coal? Why not more wind turbines?

Reliability/Availability

Wind generated power is an important resource in any power supply portfolio. Wind turbines produce no emissions,

create very little noise, and are a resource that should be included in all electric utilities portfolios. That being said, they do have limitations and challenges that must be accounted for. Our wind turbines will not produce power unless the wind is blowing and the power produced must be used as it is produced. There are no storage technologies available for large scale power production. Even though it sometimes seems like the wind is always blowing in Lamar, our wind turbines have a 35% capacity factor (which is very good for wind turbines) and means that when you add up all the kilo-watt hours produced it is equal to what our wind turbines would produce if they were at peak production 35% of the time. Compare this to a capacity factor of 85% to 90% for a natural gas or coal fired power plant and you can see the difference in the availability and reliability between the two resources.

An additional availability factor that must be considered is the time of the year when electric utilities reach their highest usage. The Lamar Light and Power system, like many in the U.S., peaks during the summer season typically between the hours of 2:00 pm and 6:00 pm. Unfortunately, many times during our peak demand periods we have little if any wind blowing. This inability to dispatch the wind generation when it's needed remains a challenge for wind produced power.

Other renewable energy options such as solar, biomass, fuel cells etc. are not economical, or have not reached the point that they are technologically able to provide large scale power production at an affordable price.

While almost all utility customers would agree that green power is the preferred option, only some would be willing to pay a higher price for it, and with energy rates in general continuing to increase, Lamar Light and Power feels it must take economics into account and try to have a mix of renewable energy and base load resources that provide the reliability that the essential commodity we provide, demands.

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Why Repower with coal, why not stay with natural gas as the generating fuel?

The price and supply of natural gas has changed dramatically over the past several years. In 2002 and into 2003 the price of natural gas began to increase substantially and the natural gas prices became very volatile. The price increased from less than \$2.00 per MMBTU in 2002 to over \$10 per MMBTU at times, in 2005. The volatility of natural gas prices have made planning a very difficult task, however; the demand for natural gas continues to exceed new supplies.

Despite record issuance of permits and high prices, the production of natural gas has not increased since the mid 70's. Some speculate this is due to harder to reach supplies, others on increased use. Regardless the reason, it is anticipated that considerable pressure will remain on the supply of natural gas well into the future. Coal prices have also increased during the last few years as consumption has increased, but the price remains relatively stable and supply abundant.

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How will the Repowering Project effect electric rates?

Unfortunately, electric rates have been increasing significantly during the last few years, and in fact the Energy Information Agency has said that nationally, in 2007, electric rates took the largest annual increase they have since 1981. The demand for electricity is projected to grow at an 18% clip during the next few years while supply is only expected to grow by 9%. In addition, the Colorado Energy Forum projects that Colorado will need an additional 4300 mega-watts of power generation (or reduced usage) by 2025. This will likely result in additional price increases as demand continues to exceed supply.

The Repowering Project is projected to stabilize rates once it is on-line and in full production. It is not anticipated to reduce rates, but is expected to be very competitive with market power supplies in the short term and provide stable rates in the future. The construction of this Project may not reduce rates, but rather avoid future rate increases.

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What are the emissions, and what level does the state/city allow?

Emissions for both gases released and particulates emitted are stringently controlled by the Colorado Department of Health and Environment (CDPHE) and the U.S. Environmental Protection Agency. The Air Quality Permit that is required for the Repowering Project mandates that the facilities and equipment used to generate electricity meet all federal, state, and local requirements and will reduce the facility's potential to emit SO₂ and NO_x. The Air Quality Permit also states that the visible emissions shall not exceed twenty percent (20%) opacity during normal operation of the source. This means there will be no visible smoke plume leaving the emission stack, and there will be no dark ash or soot blanketing the ground or vehicles in the area. It is important to point out that on particularly cold days you may be able to see a steam plume created from the heat being released from the stack.

Contact: Virgil Cochran/ Environmental Compliance Manager virgil.cochran@ci.lamar.co.us for more information.

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Will the new plant provide jobs?

At the end of the 2005 year Lamar Light and Power had only 35 employees, and we anticipate by the Project's completion we will have 55-60 employees total. This means that 20-25 new jobs have been created by the Repowering Project and the majority of these positions have been filled by our qualified local work force.

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How much water will it use?

The non-consumptive use of the water to cool the existing unit 6 turbine will not change. Unit 6 has a very unique cooling system in that water is pumped from wells, circulated through the plant and then discharged into the Lamar Canal. This type of water use is non-consumptive because all the water used for cooling is returned to the canal and used for Agriculture. This use will not change with the Project.

The new turbine, Unit 8 will be cooled via an air-cooled condenser. Although not quite as efficient as a water cooled method, there is virtually no water used in this type of cooling process. There will be a slight increase in water use for processing and plant service, but the use is projected to be less than 20 gallons per minute on average.

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Will the new plant generate revenue for the City of Lamar?

Although the goal of the Repowering Project is to stabilize power rates well into the future, there will be some revenue generated for Lamar Light and Power and the City of Lamar by virtue of Lamar Light and Power being the operators of the plant. ARPA will pay Lamar Light and Power an operating fee based on the amount of power generated. The City of Lamar will receive up to a maximum of 12% of the gross revenues generated by the operating fee per the City Charter that Lamar Light and Power operates under.

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What about other environmental concerns: ash, ground water?

The Colorado Department of Public Health and Environment (CDPHE) and the Environmental Protection Agency (EPA) have strict regulations regarding pollution from coal plants. Permits for not only air emissions but also for storm water discharge, consumptive water use, toxic release, ash hauling, rail crossing, protection of endangered species, and environmental assessments had to be approved for the Project to be constructed.

Regarding the air emissions, the Circulating Fluidized Bed Boiler has a manufacturer's guarantee to meet the established regulations. The type of coal that will be used is low sulfur coal from the Powder River Basin in Wyoming. The low sulfur content results in reduced air emission pollutants when combusted. In addition limestone will be injected into the boiler. The injection of the limestone further reduces emissions.

Records for the various permits must be kept and reporting guidelines followed for the plant to stay in regulatory compliance. All environmental regulations including air emissions must be met in order for the plant to stay in service.

Contact: Virgil Cochran/ Environmental Compliance Manger virgil.cochran@ci.lamar.co.us for more information.

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Who is paying for the project?

Arkansas River Power Authority is the sole financier for the Repowering Project. The Project is the main base load supply for ARPA's long-term plan to promote economic well-being for its municipal members by providing long term stable power costs. ARPA completed an initial bond sale in early 2006 of approximately \$83 million for the new facilities. They followed this with an additional bond sale of approximately \$18 million in early 2007 and a sale of completion bonds of approximately \$20 million in 2008. These funds combined with ARPA reserves will fund the approximate cost of the project currently estimated at \$120,000,000.

In addition to the new facilities, Lamar Light and Power committed their existing facilities such as the existing Unit 6 turbine and auxiliary equipment, water lines and wells, and electric substation equipment to the Project. Even though these Light and Power owned "Dedicated Facilities" will be used exclusively for the Project, Lamar Light and Power will retain ownership of them.

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Will the streets be closed/ blocked when coal freight arrives?

Two sidings to accommodate the rail cars will be constructed parallel to the main BNSF railroad track. The unit trains of coal (typically 110 cars) will pull off the main line, be broken into two sections by BNSF, and parked on these two sidings. Lamar Light and Power employees will move the cars, 7 to 10 at a time, from the rail sidings onto an existing spur that runs north across Maple Street to the unloading facility located north of Maple Street. The streets will not be blocked during these operations, but traffic will be disrupted somewhat while the cars are being moved across the street. However, traffic on County Road 9 may be disrupted during this process depending on BNSF mode of operation.

Once the coal cars have been unloaded, they will be returned to the sidings via the rail spur where they will remain parked until picked up for another load by BNSF. We anticipate coal trains no more than once every two weeks to three weeks depending on operations.

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How noisy will it be?

The City of Lamar has regulations restricting noise even at Industrial sites such as the Project site. The Project is

designed to house the auxiliary motors, pumps and other equipment so that the noise restriction will be complied with. The current design is to have noise levels below 85db (decibels) which is well below the standard allowed by City code.

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How will the coal ash be handled?

Current design calls for the ash to be stored in an enclosed silo and then transported to the City landfill in covered semi-trucks. ARPA is making arrangements with the City to provide the land for the ash. There may be commercial value for ash, but that has not been determined at this time, and will be reviewed at a later date.

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Why do we need to generate our own electricity, what's wrong with purchasing it from outside sources?

In 2003 ARPA supplied power to its members from a variety of sources, but primarily through a purchase power contract with Tri-State Generation and Transmission (TS). In addition both ARPA and Lamar have a federal hydro-electric power allocation. These contracts were supplemented with power generation from the Lamar Light and Power Unit 6 turbine.

The contract terminated in the fall of 2004 and TS notified ARPA that it would not be able to renew the contract. ARPA signed a short term power supply contract and commissioned a rate study to identify potential power supply options that included repowering the Lamar unit 6 turbine. The power supply study revealed that there was the potential for a shortfall of base load capacity in the not to distant future and that the cost of a new power supply would be significantly higher than ARPA's existing contract.

As the power supply proposal was refined and details identified, the repowering of the Lamar unit began to appear to be the most viable option for the ARPA communities. The power supply options available to ARPA included concerns with transmission, availability, and cost. ARPA was not able to purchase power from the Xcel plant currently under construction near Pueblo and was not able to purchase an ownership position in the power plants currently in the planning stages in western Kansas. Options from other utilities outside the area were either not cost effective or had significant problems with transmission access into the ARPA communities.

In December of 2005, just weeks prior to the scheduled sale of bonds for the Repowering Project, ARPA again commissioned a power supply study to take one last look at other available options. Three different options were considered including a bio-mass plant that was being considered for construction in New Mexico. Once again, the Repowering Project was identified as the most cost effective option with the least amount of risk for the ARPA communities.

We welcome anyone interested in learning more about the Repowering Project, to ask questions, take a tour of the

facilities, or sign up for Repowering Newsletter email list.

Copies of Lamar Utilities Board & Air Quality Permit is available at our offices located at: 100 North 2nd St., Lamar, CO.

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