

## **Bridger Valley Electric Association Newsletter: New Rate Design Announcement**

**Effective May 20<sup>th</sup>, 2024**

Dear Members,

We are excited to announce an essential update to our rate design: transitioning from a two-part rate for residential service to a three-part rate. This change ensures a fair distribution of fixed costs among all members while promoting more efficient energy usage.

### **Overview of the New Three-Part Rate**

**1. Monthly Basic Service Charge: \$52.00** This charge ensures that all members contribute their fair share towards the Cooperative's fixed costs. It covers the maintenance of physical facilities, billing, accounting, loan payments, insurance, and other member services. This charge is essential because year-round members would bear most of the fixed costs for seasonal residents without it. Even if you use no electricity for an entire season, the Cooperative still incurs these costs to maintain reliable service.

**2. Kilowatt Demand Charge: \$1.25 per KW** This charge is based on your peak demand usage measured in kilowatts (kW) within a billing month. By managing your peak demand, you can potentially reduce your monthly bills. This charge helps align your billing with the Cooperative's demand costs, giving you more control over your electricity expenses.

**3. Energy Usage Charge: \$0.045 per kWh.** This charge applies to the energy you consume. It covers the cost of the actual electricity used.

### **Example of the New Rate in Action**

Let's take a closer look at how this new rate structure will impact your bill. Consider the average home on the BVEA system, which typically has a monthly demand of 5KW and uses 750 kWh. Under the new three-part rate, the total bill would be \$92.00. This includes a \$ 52.00 Basic Service Charge, a \$ 6.25 Kilowatt Demand Charge, and a \$ 33.75 Energy Usage Charge. In comparison, the same usage under the previous two-part rate would have resulted in a bill of \$89.50, reflecting a percentage increase of 2.8%.

It's important to note that the percentage increase will be higher for members with larger homes, more household members, or all-electric homes with more appliances.

### **Managing Your Energy Usage**

One of the best ways to reduce your demand charge is to use electric-powered devices in your home or business more thoughtfully. Spreading the use of these devices can help lower your peak demand. For example:

- Run your dishwasher at night after everyone has gone to bed.
- Use a programmable thermostat.
- Dry clothes at times when you are not cooking dinner.

By strategically managing your demand, you help the Cooperative avoid the need to secure more generation and build additional facilities such as transmission lines and substations to meet growing demand needs. This, in turn, helps keep rates low for all members.

### **Fairness and Efficiency**

Charging for demand creates a way to treat all residential members of the Cooperative more fairly than previously. The new rate design aligns the costs you incur with the demands you place on the system, promoting efficient use of resources and supporting the long-term sustainability of our electric service.

### **Other Rate Class Changes**

In addition to the new residential rate design, we are implementing several minor changes to other rate classes, as outlined below:

#### **Small General Service**

- Facilities Charge: \$52.00
- Energy Charge: \$0.045/kWh
- Demand Charge: \$1.25/kW
- Tariff Sheet No. 2

#### **Large Power 350 KVA or Less**

- Facilities Charge: \$120.00
- Energy Charge: \$0.035/kWh
- Demand Charge: \$14.50/kW
- Tariff Sheet No. 4

#### **Large General Service**

- Facilities Charge: \$70.00
- Energy Charge: \$0.05/kWh
- Demand Charge: \$15.00/kW
- Tariff Sheet No. 3

#### **Large Power 350 KVA to 2000 KVA**

- Facilities Charge: \$238.00
- Energy Charge: \$0.031/kWh
- Demand Charge: \$15.00/kW
- Tariff Sheet No.

**SEASONAL WHOLESALE PEAK ENERGY CHARGE:** From June through September, a \$0.006/kWh pass-through adder from the wholesale energy provider will be implemented on top of the energy charge. If the wholesale provider's winter peak demand for a calendar month from December through February surpasses the prior summer's peak demand, an adder of \$0.006/kWh will also be implemented in December through February the following year.

Thank you for your attention to this critical update. We are committed to providing all our members with reliable, affordable, safe, and fair electric service. If you have any questions or need further information, please do not hesitate to contact our member services team.

Sincerely,

Andy Hewitt  
General Manager  
Bridger Valley Electric Association