

January 25, 2022

Dear Member,

BVEA will be changing the rates we charge for electricity beginning April 1, 2022. This rate increase is needed because the wholesale cost for power is increasing and we have also experienced rapidly increasing costs for materials and supplies. While rate increases are never welcome, they are needed from time to time to assure that your cooperative remains reliable both in the short term and the long term. Our mission is to provide safe, reliable, and affordable power to our membership. **Even with these price increases our rates continue to be among the lowest in the nation.**

Nearly 75% of our costs are fixed but the majority of our revenue is variable. That is not a sustainable business model in these changing times. To assure continued financial strength for your cooperative we are changing the rate structure to more accurately match fixed expense with fixed revenue. This will be a process which will take some time to accomplish. The first step is to raise the fixed portion of the monthly cost but reduce the monthly energy charge for most members. Your actual change will be dependent on how much energy you use each month. The members that use a very small amount of energy will see a larger percentage increase than those that use above average energy each month. However, even for the low energy users the cost increase will be moderate particularly when you consider that there has not been a rate increases for the past 6 years.

Residential and small general service classes will have an increase in the monthly Facility Charge from \$36 to \$52. There will be a decrease in the energy charge from \$0.07 down to \$0.05 for the first 2,000 kWh/month. For kWh usage from 2,000 to 3,500 monthly the energy charge will be \$0.06. For kWh usage above 3,500 monthly the energy charge will be \$0.07.

Irrigation class will have an increase in the monthly Facility charge from \$36 to \$52. The energy charge will remain at \$0.04/kWh. The demand charge will increase from \$10/KW to \$11/KW.

The heating incentive class with just one meter will be discontinued and will be billed under the normal residential class.

We have organized four meetings to discuss the change in rates. You are welcome to attend any of them as your schedule permits. All meetings will begin at 6:00 p.m. and will last about an hour. We also encourage you to visit our web site at bvea.coop to learn more about the rate changes and the way your bill is structured.

February 7th Kaysville Utah at Annie's Diner, 286 N 400 W Kaysville, UT

February 8th Lyman Town Hall

February 9th Daggett County Commission Chambers in Manila.

February 10th Eden Valley Community Center

Best Regards,

Jud Redden, General Manager