

YAMPA VALLEY ELECTRIC ASSOCIATION

FEBRUARY 2019



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Yampa Valley Electric Association is a cooperative that provides value to its consumer-members by delivering safe and reliable electric service in an environmentally and financially responsible manner.

YAMPA VALLEY ELECTRIC ASSOCIATION IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

COLORADOCOUNTRYLIFE.COOP

The Why of YVEA

Part 2: Cost-of-service study

BY STEVE JOHNSON GENERAL MANAGER



STEVE JOHNSON

often get asked the questions, “How do we determine what our tariffs are?” and “How do we set a tariff for each rate class?” These are great questions and we have an answer that I feel each member should have a general understanding of.

Cost-of-Service Study (COSS)

As with any business, Yampa Valley Electric Association does regular analyses of expenses and system service costs to determine our tariff structure. We completed our last COSS in 2016 and implemented the necessary changes over the past three years. As we move into this new year, 2019, it is necessary to complete another analysis of the costs of service.

Implementation of a COSS is necessary for many reasons, the main focus being that we generate enough revenue to cover our expenses. Remember, because we are a member-owned cooperative, any excess revenue margin that is collected is returned to our members through capital credit returns — hence the importance of completing these studies on a regular basis to ensure that our tariffs are set appropriately.

Another focus of these studies is to ensure that each member is paying his or her fair share of the service costs. Again, as a member-owned cooperative, we strive to treat each

member fairly and as equally as possible for each tariff class. Generating a two-part rate helps ensure that system access costs and consumption costs are set appropriately for each member and tariff class. It is our goal to make sure that rate classes are not subsidizing other rate classes, i.e., everybody pays their fair share.

As we move through 2019 and future years, it is important to understand that costs are continuously rising for YVEA and for everything and everyone around us. It is now more important than ever that we look at the information we have and complete these COSS studies on a yearly basis. Historically, we looked at these every three to four years, but as we move forward it is vital that we annually utilize the information we have and analyze our COSS to avoid large fluctuations in rates.

As your member-owned cooperative, we want to make sure that consumer-members know how and why your co-op operates. Future stories in this six-part series will continue this theme of understanding the why of YVEA. To learn more about your electric cooperative, you can also visit our website at YVEA.com and follow us on Facebook, Twitter and Instagram.

Coming Soon: Co-op Connections Cards

YVEA is proud to announce that in the spring of 2019 it will roll out the Touchstone Energy Cooperatives’ Co-op Connections program to consumer-members.

The free program will provide you with a simple card you can present to participating businesses to help you save money and live healthier, while also promoting local and national business discounts and other discounts on prescriptions, dental, vision and other medical services, hotels as well as car rentals, cash back shopping, event tickets and more. Local businesses will have the opportunity to join the program for free to help consumer-members achieve significant savings year-round. For those businesses interested in participating in the program please email us at coopconnections@yvea.com or call 970-879-1160.

Making a Difference

Join Operation RoundUp

Yampa Valley Electric Association members have the unique opportunity to help nonprofits in your local communities by adding a few cents to top off your monthly electric bill. When you round the bill up to the nearest dollar, the added pennies go to the YVEA Operation RoundUp Foundation. Operation RoundUp has given over 100 local nonprofits funds totaling over \$200,000. Your pennies, combined with those from other members, benefit your communities, and the average yearly cost to participating members is only \$6.

Will you help YVEA help others? Call YVEA at 970-879-1160 or 970-824-6593 and ask a member service representative to help you get started. Members can also visit <https://www.yvea.com/content/sign-me-operation-round>.

2018 OPERATION ROUND UP BENEFICIARIES

BAGGS FIRE & RESCUE	BAGGS, WY.
BOOK TRAILS	STEAMBOAT
CMC CULINARY PROGRAM	STEAMBOAT
COLORADO CRANE CONSERVATION COALITION	HAYDEN
COMMUNITY CLINICS AT MEMORIAL HOSPITAL	CRAIG
CONNECTIONS 4 KIDS	CRAIG
FREEDOM HOOVES THERAPEUTIC RIDING OF NW CO	CRAIG
FRIENDS OF THE YAMPA	STEAMBOAT
GRAND FUTURES PREVENTION COALITION	CRAIG
HORIZONS SPECIALIZED SERVICES	STEAMBOAT & CRAIG
LIFT-UP OF ROUTT COUNTY	STEAMBOAT
LITTLE SNAKE RIVER VALLEY LIBRARY	BAGGS, WY.
LITTLE SNAKE RIVER VILLAGE – ASSISTED CARE	BAGGS, WY.
LOVE, INC	CRAIG
MEMORIAL REGIONAL HEALTH FOUNDATION	CRAIG
MOFFAT COUNTY UNITED WAY	CRAIG
NORTHWEST COLORADO HEALTH	STEAMBOAT
PARTNERS OF ROUTT COUNTY	ROUTT COUNTY
ROUTT COUNTY COUNCIL ON AGING	STEAMBOAT
SOUTH ROUTT ELEMENTARY SCHOOL	YAMPA
SSHS AFTER PROM	STEAMBOAT
STEAMBOAT ADAPTIVE RECREATIONAL SPORTS – (STARS)	STEAMBOAT
STEAMBOAT SPRINGS ARTS COUNCIL	STEAMBOAT
STEAMBOAT ART MUSEUM	STEAMBOAT
THE HAVEN	CRAIG
THE JOURNEY AHEAD	STEAMBOAT
TOWN OF BAGGS	BAGGS, WY.
VALLEY COMMUNITY CENTER	BAGGS, WY.
YVSC RETREE PROJECT	ROUTT COUNTY

YVEA FEBRUARY SPONSORSHIPS

- February 7** Cherish the Little Things — Connections 4 Kids Art Show in Craig
- February 9** Steamboat Winter Carnival — Steamboat Winter Sports Club LED Lighting



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- Report an outage, and more!



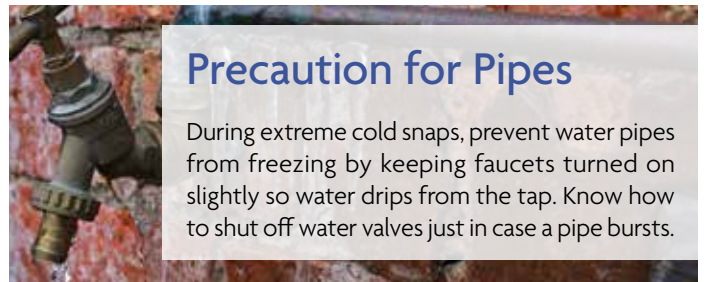
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Precaution for Pipes

During extreme cold snaps, prevent water pipes from freezing by keeping faucets turned on slightly so water drips from the tap. Know how to shut off water valves just in case a pipe bursts.

Bill Payment by Credit Card Limited to \$5,000

Due to the increased financial impact of credit card fees, beginning with the January billing period, Yampa Valley Electric Association will limit payment by credit card to a maximum of \$5,000. Payments over that amount will need to be paid by check, bank draft, wire transfer or other payment options approved by YVEA.





New!

YVEA Standby Generator Program

◀ This standby generator is available through YVEA's new program. Call 970-871-2267 for more information.

A new residential and commercial standby generator program is being prepared to launch soon to qualifying consumers. Under the new program, consumers can purchase a Briggs & Stratton standby generator for 50 percent down, with the remaining 50 percent paid monthly as part of the member's monthly power bill from YVEA.

The generators will be sold and installed by YVEA. Mike Beyer, member service advisor for YVEA's residential programs, will work with consumers wanting to participate in the program, which will provide power during power outages. **For more information, email mbeyer@yvea.com or call 970-871-2267.**

GENERATOR SAFETY

Keeping your family safe when the power goes out

Having a generator on hand, whether portable or permanent, is a great idea for times when the power goes out, but misusing one is dangerous. Although they can help light your home or cool your perishable food when the neighborhood is dark, if used incorrectly you could have a much bigger problem on your hands.

When using a portable version, there are two ways to connect it to a home. The first way is with a powered circuit panel that has a power transfer switch, which monitors incoming voltage from the utility line. The circuit panel and transfer switch should always be installed by a qualified electrician. The second option is to plug in a limited number of home appliances directly into a fuel-powered portable generator

with heavy-duty extension cords.

Never try to power your home by plugging a generator into a wall outlet. This is known as back feeding and could electrocute a neighbor or an electric lineman working to restore power. A permanent generator must also have a transfer switch installed by a qualified electrician to avoid back feeding. Because of the harm an incorrectly powered generator can cause, the transfer switch is required by the National Electrical Code.

The primary hazards of using a portable generator are not meager. They include carbon monoxide poisoning from the toxic engine exhaust, electric shock or electrocution, and fire, according to the Federal Emergency Management Agency (FEMA). According

to FEMA, most of the deaths and injuries associated with portable generators are from carbon monoxide poisoning when generators are used indoors or in partially enclosed spaces. A permanent or standby generator also has significant risks if not installed by a qualified electrician. Installing one is extremely dangerous and definitely not a DIY project.

Portable versions are less expensive than permanent or standby models and power only select appliances. Permanent generators — standby versions that are permanently installed and power most of the appliances in your home — are convenient but pricey.

Learn more about generator safety visit yvea.com.

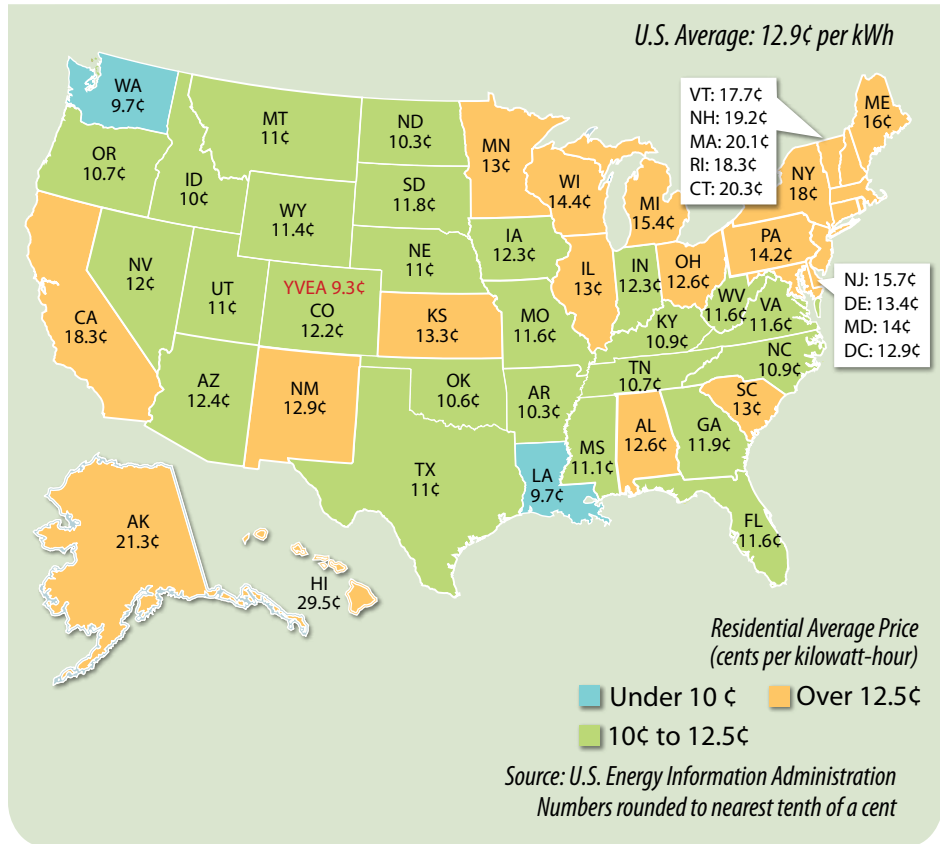
Rate Increase to the Small General Service Class — Improving Quality of Service

With our aging infrastructure and increased exposure and vulnerability to outage events, it is time to invest more time and money into improving our system. Because of this needed increase in system improvements, it is necessary for a rate adjustment of 1 cent per kilowatt-hour to the small general service class of our membership and a \$2 per month increase to the system access cost. Consumer-members will see the increase on their March 2019 billing statement.

We will continue to evaluate our costs of service and will complete another study in 2019, ensuring that we are doing our best to remain safe, reliable and affordable.

Average Prices for Residential Electricity

in cents per kWh



ANNUAL CEN\$IBLE ENERGY EFFICIENCY PROGRAM OPEN

Cen\$ible Energy, a community efficiency rebate program co-founded by Yampa Valley Electric Association and the Yampa Valley Sustainability Council and funded by YVEA and other community partners, is open for 2019 residential and small business rebate applications. This program is open to consumer-members of Yampa Valley Electric Association.

Cen\$ible Energy offers rebates on six types of efficiency measures as well as free or low-cost energy assessments for YVEA homes and small businesses. Rebates are available currently for LED lights, programmable thermostats for electric-heated buildings, air sealing completed by a homeowner or construction vendor following an energy assessment, hard-wired heat tape

timers, blower door testing to check construction for air tightness, and Energy Star-rated dishwashers, clothes washers, refrigerators or freezers. Information on current rebate amounts is available at www.CensibleEnergy.org, where receipts can be submitted online within 90 days of purchases.

Since it began in the spring of 2015, Cen\$ible Energy has provided \$121,390 in funding for 1,313 rebates throughout the YVEA territory and helped to stimulate the local economy with \$463,322 in purchases made within the local community.

Cen\$ible Energy also offers \$200 small business assessment rebates for the first 10 commercial customers to sign up each year.

The energy review costs \$300 after rebate for businesses up to 10,000 square feet. Larger



businesses would pay modest additional charges. To sign up for a business assessment, click on the For Your Business tab at www.EnergySmartColorado.com.

Cen\$ible Energy is made possible each year through donations from Yampa Valley Electric Association, the city of Steamboat Springs, Alpine Bank and Routt County. To become a community funding partner, visit the Sponsors page at www.CensibleEnergy.org.