

THE CHALLENGE OF RISING COSTS

BY TOM WALCH CHIEF EXECUTIVE OFFICER

We can sum up our Grand Valley Power mission with just a few words: safely delivering reliable and affordable electric energy and great service to our consumers. While the words are easy to say, it can be difficult to execute this mission, day after day and year after year. This is especially true today, as families and businesses struggle to keep pace with a pandemic that stubbornly refuses to go away, and rising costs and supply chain challenges that seem to get worse with each passing day. Electric cooperatives, and the electric utility industry in general, are facing additional challenges, with fundamental changes due to state and federal regulations, and ever-growing grid resiliency and security concerns. These challenges require the leadership of our organization to maintain a laser focus on the fundamentals of our business, including the need to preserve our financial integrity.

Inflation is hitting all of us. According to a recent Forbes article, the year-over-year Consumer Price Index report reflects an increase of 5.3% over its level last August. The core CPI is up 4% over the same period. This is double the inflation rate targeted by the Federal Reserve. U.S. consumer prices for energy commodities such as crude oil, natural gas, gasoline and diesel continue to rise. The cost of fuel impacts prices across the supply chain — from production to transportation — and those extra costs ultimately filter down to consumers at the end of the line. The August 2021 CPI report for the Midwest region (which includes Colorado) concludes that excluding food and energy prices, which are considered volatile, there was an increase of 4.2% over the past year. Energy prices jumped 26.9%, largely the result of an increase in the price of gasoline. Food prices rose 4.6% during this period as well. The pandemic has led to recent supply issues as well, driving up prices for key commodities and increasing the cost of home construction. Lumber

costs, for instance, increased by 114% over the 12 months ending in May 2021 — the highest 12-month growth ever. Similarly, prices of iron and steel also increased by 73% over the prior 12 months.

The impact of these cost and supply chain issues is amplified for electric distribution systems like Grand Valley Power. We are already facing shortages and limited supplies of equipment and materials, so we are looking to increase our inventory levels on critical items — stocking up to hedge against future shortages. Rising fuel costs hit us hard, as our operations team members travel all over Mesa County as they work to keep the lights on. And labor costs for our skilled workforce continue to go up.

To keep pace with rising costs and maintain good financial standing, our cooperative's leadership must look at adjusting the rates our consumers pay for the electric energy we provide. This is not something we take lightly. The last time our rates were adjusted was 2015. That change was essentially a restructuring, as our monthly access charge was increased, and the variable charges for kilowatt-hour consumption went down. For our system as a whole, the 2015 rate adjustment was revenue neutral, which is to say our overall rates and revenue collected from GVP consumers didn't go up or down. The primary purpose of the 2015 rate adjustment was to make our rates more equitable. The last time Grand Valley Power increased its rates was more than 10 years ago, when a 2011 rate increase hiked the average GVP residential bill by 8.2%.

With all this in mind, Grand Valley Power's board and management staff are planning a rate adjustment that will go into effect in the spring of 2022. While we are looking at our rates, we will be examining ways to make them fairer and more equitable. We have engaged a cost-of-service consultant to assist us with this complex task. With the consultant's assistance, we will determine our costs to serve each class



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of consumers. Our enhanced metering system will enable us to analyze these costs more accurately and provide greater creativity and flexibility in designing rates that ensure that consumers bear the costs that they impose on our distribution system.

What can you expect from us as we embark on this process? We will strive to limit the amount of any rate increase. We will try to make it fair. Within these limits, we will try to keep the rate design as simple as possible (but no simpler). And finally, we pledge to communicate with our members about what we are doing at every step along the way. Stay tuned to the pages of this magazine and our web page and social media outlets over the next few months for current information about the upcoming rate adjustment.

COMMENTS TO THE CEO

You are a member of a cooperative and your opinion does count. If you have any questions, concerns or comments, please let me know by writing to Ask the CEO, P.O. Box 190, Grand Junction, CO 81502, or send an email to me at twalch@gvp.org. Check out our website at gvp.org.

BOARD MEETING NOTICE

Grand Valley Power board meetings are open to the members, consumers and public. Regularly scheduled board meetings are held at 9 a.m. on the third Wednesday of each month at the headquarters building located at 845 22 Road, Grand Junction, CO.

The monthly agenda is posted in the lobby of the headquarters building 10 days before each meeting and posted on the GVP website. If anyone desires to address the board of directors, please let us know in advance by calling 970-242-0040 and you will be placed on the agenda.



3 REASONS TO APPLY FOR YOUTH TOUR

Hey, High School juniors and seniors! What are your plans for next summer? Maybe sleep in until noon, clean your room, or binge-watch your favorite Netflix series. While that all sounds great, we bet you can top that by attending a free trip to Washington D.C. with 2,000 of your closest co-op friends. Get ready to pack your bags and make monumental memories because your flight departs soon! Don't worry; GVP has three (pretty awesome) reasons why you should board that plane.

1. It's free, just apply.



Yes, you read that right. The Washington D.C. Youth Tour is an all-expenses-paid trip sponsored by national and statewide associations plus your family here at Grand Valley Power. FREE airfare, FREE hotels, FREE meals, and FREE attractions.

2. IT'S COOL.



You will spend eight days exploring Washington D.C.'s most historic destinations including the Lincoln Memorial, National Air and Space Museum, Library of Congress and more! Plus, you'll get to enjoy an award-winning play at the Kennedy Center.

3. YOU GET TO TRAVEL.

Remember that travel bucket list you made? Check off Washington D.C. cause your dreams are about to become true.

YOU CAN APPLY TODAY!

gvp.org/youth-leadership-programs

Applications can be found online at gvp.org/youth-leadership-programs or at high school counseling offices. Students are required to submit a 500-word essay and completed application **by January 12, 2022.**

GIVING THANKS TO OUR TROOPS

BY DANA POGAR COMMUNICATIONS SPECIALIST

Some of my most cherished memories as a child occurred around the dinner table — and it wasn't just the mountains of mashed potatoes and pumpkin pie. Thanksgiving was a time when my family would gather to exchange smiles and stories about the good ol' days, which was my grandfather's favorite tangent. One year I asked my grandpa to tell me about his time serving in the United States Marine Corps. Within seconds, I was sitting in my grandfather's lap fascinated by his dedication to our country, and I had no interest in a second helping of mashed potatoes. Instead, I was eager to hear more war stories. From there on, each Thanksgiving holiday my family has made it a priority to recognize my grandfather, veterans and active military members for their sacrifices that allow us to gather freely around the dinner table each year.

This harvest season, we at Grand Valley Power are giving thanks for our

troops by partnering with Operation Interdependence, a nationwide 501(c)(3) organization dedicated to providing military care packages and support to active military members overseas and veterans at home. We encourage our members to join us in giving back to our hometown heroes by participating in the following fundraising efforts:

CARE PACKAGE SUPPLY DRIVE

Grand Valley Power is an official drop-off location for care package items for the armed forces. Please consider supporting Operation Interdependence by donating care package items from November 1 to November 23. All donation items can be brought to the main office Monday – Friday from 8 a.m. to 5 p.m. For an extended list of suggested donation items, please visit gvp.org/hometown-partnerships.

THANK YOU NOTES

GVP encourages members to give thanks by writing a thank you note, card or picture



DANA POGAR

to troops. All notes will be included in care packages that will be sent to U.S. war heroes overseas from Operation Interdependence. Coloring sheets will also be available online and in GVP's main lobby for mini members who would like to express their gratitude in a more creative way. Notes and coloring pages can be delivered to the main office until November 23, 2021. For additional letter guidelines, please see the "Do's and Don'ts" document by visiting gvp.org/hometown-partnerships.

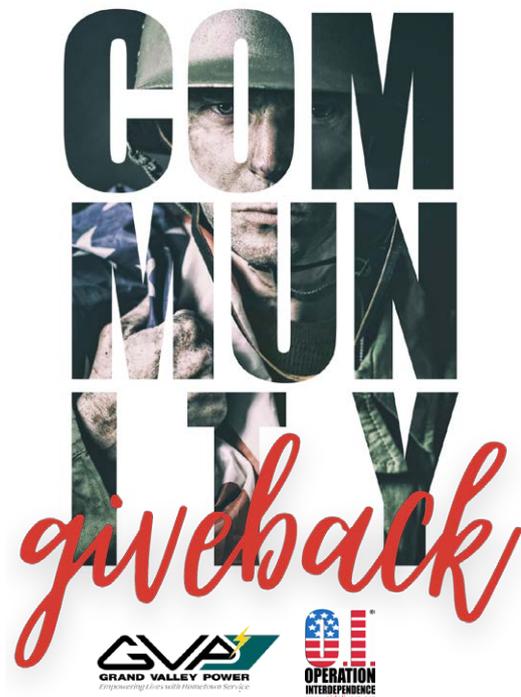
DONATE TODAY!

Every little bit helps. Operation Interdependence is accepting donations toward purchasing care package supplies, shipping materials and postage to send care boxes to troops overseas. To donate, please visit www.oidelivers.org.

DONUTS FOR DOG TAGS

In honor of our hometown heroes, we invite all veterans to join us on Wednesday, November 10, from 8 to 11 a.m. in the GVP main lobby to receive a FREE donut and coffee. During this time, GVP employees will also be delivering donuts to soldiers at the Grand Junction VA Medical Center in observance of Veterans Day.

From everyone at Grand Valley Power, we thank you for helping us recognize our troops by giving thanks this holiday season. We encourage our members to follow us on Facebook and Twitter @GVRuralPower or by searching "Grand Valley Power" for more information and updates on our community impact project.



Donate Care Package Items!

★★★★★★★★

Operation Interdependence sends over 50,000 kits each year. Support our troops and donate today!

Drop off items through
Nov. 23, 2021.

Scan Me!

Visit gvp.org/Hometown-Partnerships for a detailed list and drop off location.

ASSISTANCE AND HELP FOR WINTER BILLS

Resources are available to keep you warm all winter long

BY CHRISTMAS WHARTON COMMUNICATIONS MANAGER

If you find yourself in need of help to pay your electric bill this winter, there are resources to help alleviate some financial cost and programs that can improve your home's efficiency for year-round savings.

CO-OP RESOURCES AND PROGRAMS

POWERMYWAY

PREPAY BILLING PROGRAM

Grand Valley Power just launched a new program called PowerMyWay, which is a prepay program. Similar to the way you purchase food, gasoline or groceries, PowerMyWay billing allows you to pay for electricity how and when you choose. You can "fill up" your PowerMyWay account much like you would your car's gas tank. When your account gets low, add money any time of day or night. Your account is right at your fingertips, either through the GVP app on your smartphone or on your computer. What are the benefits? PowerMyWay program members have no late fees, no monthly bill, no due dates and no disconnect or reconnect fees.

Please visit gvp.org/prepay or call **970-242-0040** for more information.

BUDGET BILLING

Grand Valley Power offers budget billing to members who prefer consistent bills to budget appropriately across a year. The monthly billing amount is calculated for an 11-month payment cycle based on the average of last year's usage. The 12th month of the year is used as a settlement month in which GVP evaluates total use and issues a credit or debit. This plan is only available to those consumers who have established an active account at the same location for a year or more.

Please visit gvp.org/energy-assistance or call **970-242-0040** for more information.

SMARTHUB: ENERGY YOUR WAY

SmartHub is an account management tool that enables you to manage all aspects of your GVP account. In addition to paying

your bill, you can view your hourly energy usage data, report an outage and set up customizable alerts to stay in the loop with power restoration updates and bill notifications. You can also download your usage data, past billing and payment history. It's available 24/7. The portal is available through the web, or through Apple and Android app stores.

Please visit gvp.org/SmartHub or call **970-242-0040** for more information.

OUR COMMUNITY PARTNERS

GRAND VALLEY CATHOLIC OUTREACH

Grand Valley Catholic Outreach is a compassionate center where people in need can access emergency services, including clothing, financial aid for rent or utilities, food and housing. According to Grand Valley Catholic Outreach, it has halted an average of 350 evictions and assisted in restoring 650 utilities for families each year. "We're here with open hands, open doors and open hearts," stated Scott Montgomery, Grand Valley Catholic Outreach's financial aid director.

Please visit catholicoutreach.org or call **970-241-3658** for more information.

COLORADO LOW-INCOME ENERGY ASSISTANCE PROGRAM (LEAP)

The Colorado Low-income Energy Assistance Program is a federally-funded program that helps eligible hardworking Colorado families, seniors and individuals pay a portion of their winter home heating costs. LEAP works to keep our communities warm from November through April by providing assistance with heating costs, equipment repair and/or replacement of inoperable heating tools. While the program is not intended to pay the entire cost of home heating, LEAP aims to help alleviate some of the burdens that come with Colorado's colder months.



CHRISTMAS WHARTON

Please visit colorado.gov/cdhs/leap or call **1-866-432-8435** for more information.

HOUSING RESOURCES OF WESTERN COLORADO

Housing Resources of Western Colorado is a 501(c)(3) not-for-profit organization with a mission to provide housing and housing services that create stable, sustainable western Colorado homes. HRWC builds stronger communities by providing attainable housing, energy efficiency, education and renovation programs to the residents of western Colorado.

Programs include woodstove replacement, critical home repair and weatherization to name a few. The weatherization program offers free energy-efficiency and health and safety services to income qualifying residents who own or rent their home. The program makes cost-effective, energy-efficient home improvements that reduce energy bills, while providing a more comfortable home year-round.

For more information on current programs, visit hrwco.org or call **970-241-2871**.

WESTERN COLORADO 2-1-1

2-1-1 Colorado streamlines services and provides one central location where people can get connected to the resources they need. With a database that is updated daily, 2-1-1 Colorado can connect you to critical resources simply by dialing the three-digit number. Whether you are searching for a shelter availability, child care, utility or rent payment assistance, 2-1-1 can connect you to available resources in your community.

Please visit 211colorado.org or call **970-244-8400** for more information regarding available support. You can also **text your zip code to 898-211**.