

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

DECEMBER 2021



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mcrea.org



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<https://bit.ly/MCREAyoutube>

MCREA Mission

Morgan County REA, a member-owned cooperative, is dedicated to serving our members by providing safe, reliable energy with a strong tradition and vision for the future.



This institution is an equal opportunity provider and employer.

MORGAN COUNTY REA SET TO RETURN \$4 MILLION IN CAPITAL CREDITS TO ITS CONSUMER-MEMBERS

BY DAVID FRICK GENERAL MANAGER



DAVID FRICK

There's always much to enjoy around this time of year: The holidays are near, a new year is coming and Morgan County Rural Electric Association consumer-members will receive their capital credits checks soon. This year, the MCREA Board of Directors has approved a patronage capital retirement of \$4 million to those who were consumer-members of the cooperative in the years 2003, 2004, 2013, 2014, 2015 and 2016. This matches the record for the largest capital retirement in MCREA history, tying last year's allotment.

Capital credits are one of the many benefits of being a consumer-member of a cooperative. Rather than returning profits to shareholders, like investor-owned utilities do, electric co-ops instead return margins to their consumer-members. In other words, any leftover funds held by MCREA are disbursed back into the community it serves. Allocation of capital credits is based on how much electricity an MCREA consumer-member purchased during a given year.

At its regular meeting on October 18, the MCREA Board of Directors authorized a complete retirement of 2013, 2014 and 2015 MCREA margins, as well as a partial retirement of 2016. The board also approved complete retirement of 2003 and partial retirement of 2004 generation and transmission margin allocations. This brings the total amount of retired patronage capital to \$4 million.

Consumer-members from those years will be sent a capital credits check in the mail this month, reflecting their

contribution to, and ownership of, the cooperative during those years. Those funds helped us manage rates; reduce the amount of money we needed to borrow from outside lenders to build, maintain and expand a reliable electric distribution system; and cover emergency expenses. It is the goal of the Morgan County REA Board of Directors that this electric cooperative operates as efficiently as possible, allowing remaining funds to be returned to our members.

Here are a few commonly asked questions about capital credits.

What are capital credits (patronage capital)?

MCREA annually "allocates" capital credits to each consumer-member, based on the consumer-member's purchase of electricity and operating revenue remaining at the end of the year. Later, as financial condition permits, these allocated amounts — capital credits — are retired. Since a cooperative's consumer-members are also the people the co-op serves, capital credits reflect each consumer-member's ownership in, and contribution of capital to, the cooperative.

Where does the money come from?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating "margin."

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How are margins allocated?

Margins are allocated to consumer-members as capital credits based on their purchases from the cooperative — how much power the consumer-member used. Consumer-member purchases may also be called patronage.

I didn't receive electric service from MCREA in those years. Will I get any retirement?

No. Capital credit retirements will only be made to consumer-members who purchased electricity in the years listed earlier.

What if I moved or didn't receive a capital credits check?

If you move or no longer have electric service with MCREA, it is important you keep the cooperative informed of your current address so that retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of MCREA's service area. Consumer-members can update their contact information on our website — mcrea.org — or by calling the MCREA billing department at 970-867-5688 to make sure your capital credits check makes its way to you.



December 2021 Energy Efficiency Tip of the Month

Heading out of town for the holiday season? Remember to unplug electronics that draw a phantom energy load. Some gadgets such as TVs, phone chargers, gaming consoles and toothbrush chargers, use energy when plugged into an outlet — even when not in use.

Morgan County Rural Electric Association, Inc., Notice of Proposed Change in Rates Charged for Electric Service: Effective January 1, 2022

Dear MCREA Consumer-Member,

This notice is to officially inform you that the board of directors of Morgan County Rural Electric Association, Inc., is proposing certain changes to rates charged for electric service purchased on or after January 1, 2022.

The Morgan County REA Board of Directors' guiding objective is to make electric energy available to the consumer-members of the cooperative at the lowest possible cost consistent with sound economic and business practices. (Joann Rohn acct. #xxx0500) As was announced earlier this year, our wholesale power provider, Tri-State Generation and Transmission, reduced the wholesale rate charged to MCREA for purchased power. In order to pass these savings onto MCREA consumer-members, an independent cost-of-service study was conducted earlier this year that has recommended a 1.79% reduction in the cost of purchased power. As a result of the 2021 wholesale power rate modification and the recent cost-of-service study information, the MCREA Board of Directors has proposed an average overall rate decrease of 1.79% for the 2022 electric service rate classes.

It is Morgan County REA's mission to serve consumer-members by providing safe, reliable energy with a strong tradition and vision for the future. On behalf of the Morgan County Rural Electric Association Board of Directors, thank you for your continued support of your local electric cooperative.

Sincerely,

David Frick, General Manager

IRRIGATION		
Rate Code 130		
	2021	2022
Facilities Charge (April-Sept)	\$ 100.00	\$ 100.00
Demand Charge per kW	\$ 16.00	\$ 16.00
Energy Charge per kWh	\$.0700	\$.0678
Annual Minimum	\$ 600.00	\$ 600.00
Demand Cap*	\$ 0.30	\$ 0.30
* The Demand Cap (total demand cost/kilowatt-hour) sets a ceiling on monthly billing not to exceed an average cost of \$0.30 per kWh when the monthly demand cost is divided by monthly usage (kWh). The demand cap limits the monthly demand charge where an unusually large demand (kW) is set relative to small monthly kWh used.		

AIR FORCE		
Rate Code 20		
	2021	2022
Facilities Charge	\$ 98.00	\$ 98.00
Demand Charge per kW	\$ 8.45	\$ 8.45
Energy Charge per kWh	\$.0740	\$.0718
Minimum Monthly Charge The minimum monthly bill shall be given on the Effective Date of Taking Service and will be \$5,635 per month when the sum of demand exceeds 100 kilowatts or \$3,625 when the sum of demand is less than 100 kW. Demand charges will be in addition to the monthly minimum.		

RESIDENTIAL		
Rate Code 01		
	2021	2022
Facilities Charge	\$ 28.00	\$ 28.00
Energy Charge per kWh	\$.1106	\$.1084

STOCK WELL		
Rate Code 05		
	2021	2022
Facilities Charge	\$ 32.00	\$ 32.00
Energy Charge per kWh	\$.1134	\$.1112
Annual Minimum	\$ 384.00	\$ 384.00

SMALL POWER		
Rate Codes 40, 41 and 61		
	2021	2022
Three-Phase Facilities Charge*	\$ 67.00	\$ 67.00
Single-Phase Facilities Charge*	\$ 45.50	\$ 45.50
Energy Charge per kWh	\$.0950	\$.0928
Depending on the type of service, accounts will either be charged the Three-Phase Facilities Charge OR the Single-Phase Facilities Charge.		

GREEN POWER SURCHARGE		
Voluntary Program - Not automatically charged		
	2021	2022
Per 100 kWh block	\$.09	\$.09

LARGE POWER		
Rate Codes 50 and 56		
	2021	2022
Facilities Charge	\$ 86.25	\$ 86.25
Demand Charge per kW	\$ 11.50	\$ 11.50
Energy Charge		
First 400 kWh per kW	\$.0742	\$.0719
Over 400 kWh per kW	\$.0500	\$.0500

UNMETERED LIGHTING		
Rate Code 70		
	2021	2022
Each 100 W Lamp	\$ 11.43	\$ 11.43
Each 150 W Lamp	\$ 12.29	\$ 12.29
Each 175 W Lamp	\$ 13.53	\$ 13.53
Each 400 W Lamp	\$ 25.07	\$ 25.07
Each 1500 W Lamp	\$ 86.37	\$ 86.37
Each LED Lamp		\$ 13.53

COMMERCIAL & INDUSTRIAL		
Rate Codes 85, 86 and 87		
	2021	2022
Facilities Charge		
1-10 MW	\$ 2,500.00	\$ 2,500.00
10 - 30 MW	\$ 3,500.00	\$ 3,500.00
Over 30 MW	\$ 5,500.00	\$ 5,500.00
Demand Charge per kW		
1-10 MW	\$ 20.00	\$ 20.00
10 - 30 MW	\$ 21.00	\$ 21.00
Over 30 MW	\$ 23.57	\$ 23.57
kWh Charge		
1-10 MW	\$.0520	\$.0501
10 - 30 MW	\$.0500	\$.0481
Over 30 MW	\$.0440	\$.0440

ETS TIME-OF-USE		
Rate Code 07		
	2021	2022
Facilities Charge	\$ 28.00	\$ 28.00
Off-Peak Energy Charge per kWh	\$.0500	\$.0500
On-Peak Energy Charge per kWh	\$.2083	\$.2083
Off-Peak Hours 12:00 p.m. - 5:00 p.m.; 10:00 p.m. - 7:00 a.m. On-Peak Hours 7:00 a.m. - 12:00 p.m.; 5:00 p.m. - 10:00 p.m.		

NOTICE OF INTEREST ASSESSMENT

All payments are due and payable within 15 days from the date of the bill (generally the 15th of every month). If any monthly bill is not paid when due, interest at the rate of 1.5% per month shall be assessed. This penalty applies to all rate classes. Additionally, a fee of \$20 will be applied for any payment that is rejected. This includes NSF checks, ACH and credit card rejections.

Anyone desiring a more detailed description of these rates may review the complete tariffs and policies at the office and also may discuss these rates in more detail with the staff in person at the MCREA office or by telephone. In addition, anyone who desires to file a complaint about the proposed changes shall file a written complaint with the Association at P.O. Box 738, Fort Morgan, CO 80701, at least 10 days before the proposed effective date. The Association may hold a hearing to determine what changes will be authorized. The final changes authorized may or may not be the same as those proposed and may include changes different than those tariffs currently in effect. Anyone who desires to receive notice of the hearing, if any, shall make a written request therefore to the Association at the above address, at least 10 days before the proposed effective date.

SUPPORT **LOCAL** BUSINESSES AND SAVE WITH CO-OP CONNECTIONS®

Gift wish lists are being made with haste and it's getting a little colder outside. That means the holiday shopping season is right around the corner. Speaking of "around the corner," there are plenty of locally-owned businesses in our neck of the woods that can provide unique gifts and experiences for your loved ones. Morgan County REA's Co-op Connections member benefit program can help you save while you keep dollars in the local economy.

This winter, let's power a small business comeback and frequent the shops owned by our friends and neighbors. To find all the ways to save locally, visit connections.coop or download the free Co-op Connections app in the App Store or on Google Play. Use the app's "Deals Near Me" option as you holiday shop at local merchants or anytime you are out running errands. (Calvin Lyons acct. #xxx2300) And keep in mind: With many participating dining options, you can fill up on grub while you fill your trunk with toys, clothes, home goods and more.

When shopping locally, save by showing either your Morgan County REA Co-op Connections card or the app at the point of sale. If you have any questions about how the program works, please don't hesitate to get in touch with MCREA's member services department at 970-867-5688 or email memberservices@mcrea.org.

As you are busy stockpiling gifts for family and friends, keep our small business community in mind this holiday season.



Win \$25 Off Your Electric Bill

Each month Morgan County REA gives two lucky consumer-members a chance at a \$25 credit on their electric bill, just by reading *Colorado Country Life*.

Congrats, Lisa Murray (acct. #xxx2000)! You spotted your name in the October issue and received a \$25 bill credit. Sorry, Clean Harbors Environmental Services (acct. #xxx2700). Your name was hidden in the October issue of *Colorado Country Life*, but you did not call to receive your \$25 credit.

There are two more MCREA consumer-member names and their account numbers hidden somewhere in this issue. If you find your name and account number, call MCREA member services at 970-867-5688 by December 30 to claim a \$25 credit on your bill.

CO-OP MONTH WINNERS

Morgan County REA enjoyed celebrating National Co-op Month in October. As part of Co-op Month, MCREA hosted its Stop by Your Co-op Giveaway. It was great seeing so many of our consumer-members visit MCREA's office, where they could enter to win one of our weekly drawings for a \$25 bill credit. The giveaway also awarded the grand prize winner with a bountiful, holiday food basket — just in time for Thanksgiving. Congratulations to our winners:

- Week 1 — Golden Grain Farms, Inc.
- Week 2 — Dewey Meehl
- Week 3 — James Rubadue
- Week 4 — Gary Reidel
- Grand Prize — Todd and Julie Castor

Thank you to all our consumer-members who helped us celebrate National Co-op Month.

