

SANGRE DE CRISTO ELECTRIC ASSOCIATION, INC.

The Outlet

JANUARY 2022



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Your community electric service provider.



Annual Meeting Notice

SDCEA's annual meeting will be held on June 9, 2022, at The Barn at Howard Creek Farm, Howard.



RATE RESTRUCTURE & BILL CHANGES

SDCEA, a not-for-profit electric cooperative, strives to provide reliable, safe power, control costs and charge the fairest rates possible to our consumers. We mentioned in our December edition that the cost-of-service study conducted by the cooperative over the past 18 months found that SDCEA does not need to enact a general rate increase. Notably, we have not increased rates since 2017.

Through the cost of service study, we also learned SDCEA has not adequately recovered our fixed costs (the expenses covered in the service availability charge) since our last rate increase. As experienced by many businesses in recent years, the costs to SDCEA in this category have increased significantly. Reviewing the study, SDCEA determined it is necessary to rebalance these costs and restructure our rates in 2022.

When you purchase a product, the receipt generally shows the total price you paid for your item and perhaps the taxes on that item, if applicable. The receipt generally does not show things that factor into the price of the item, such as labor cost, shipping, property taxes, accounting cost, manufacturing and delivery, but those are things that also factor into the price you pay for that item.

Energy is like any other purchase you make — there are components that contribute to the price you pay for it. Energy is also unique in that you cannot simply go to the store and pick some up for your consumption. It must be delivered via a highly developed and costly framework: the electric grid.

Unlike the receipt for many of the purchases you make, SDCEA is going to unbundle — show the components of our cost breakdown of — your electric bill, beginning in February. We hope that

How will these changes affect your bill?



Create an account or sign in on myelectric.coop. Once in SmartHub, you will be able to use rate calculators to determine what the changes mean to your specific bill.

in doing so, consumers will have a better understanding of the cost components that go into the total cost of energy delivery to your home.

SDCEA's former energy charge will now be divided in to two parts — the actual energy consumed and the cost of distribution and delivery of that energy to your home.

The distribution charge is the cost of delivery of energy. Similar to variances in shipping rates for various products and how those products are delivered, some distribution charges will vary in specific rate classes due to the size of the consumer's service, how much energy the consumer uses, or when energy is used.

The cost of distribution was previously included in the total energy rate SDCEA charged. With the change in our rate structure, the sum of these two charges, the cost of energy plus distribution, which previously equaled roughly 13 cents/kWh, will now be **reduced** to 10.5 cents/kWh.

The service availability charge reflects the fixed costs incurred to connect each consumer to the electric grid, whether that consumer uses a lot of energy or not very much. This includes operation and

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BILL SCENARIOS: THEN & NOW ILLUSTRATIONS

SDCEA's bill is going to look different in February. Will your bill increase or decrease? That will depend on how much energy you use.

Here are some common examples of actual SDCEA bills. You can look up your specific bill online to compare results by logging in to SmartHub from our website.

Keep in mind that your energy charge is based on the amount of energy you use. Comparing year to year is only useful in general terms if you use nearly the same amount of energy in the comparison. If we experience an unusually cold month, you will likely use more energy than the year before. Or if it is an exceptionally warm month, you will likely use less energy.

Bill Scenario 1 – Residential home outside of town or city limits

In January 2021, a local family living in a home with some electric baseboard heat and a woodstove had this bill.

In 2022, if the family uses the same amount of power, their bill **will actually be lower** than it was in 2021, even factoring in the \$1 increase in the Wildfire Mitigation Rate Rider in 2022 and the new \$46.15 service availability charge.

There is a **\$17.92 savings** for the month from 2021 to 2022.

JANUARY 2021

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	12/31/21	01/31/21	31	10632	11972	1	1349	
Activity Since Last Billing					Current Charges Detail				
Previous Balance					Energy Charge				
Payment(s)					Service Availability Charge				
Balance Forward					Wildfire Mitigation Rider				
					County Tax				
					Current Charges Due				
					TOTAL CHARGES DUE 02/23/2021				

JANUARY 2022

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	12/31/21	01/31/22	31	10632	11972	1	1349	
Activity Since Last Billing					Current Charges Detail				
Previous Balance					Energy Rate per kWh				
Payment(s)					Distribution Services Rate per kWh				
Balance Forward					Service Availability Charge				
					Wildfire Mitigation Rider				
					County Tax				
					Current Charges Due				
					TOTAL CHARGES DUE 02/23/2022				

BILL SCENARIO 2 – Home in the town of Buena Vista

The following is a 2021 February bill of a Buena Vista resident. They have a mix of electric and gas heating and appliances.

In 2022, if the family uses the same amount of power, their bill will be **about the same, \$3.84 higher**, than it was in 2021, again factoring in the \$1 increase in the Wildfire Mitigation Rate Rider and the new \$46.15 service availability charge.

FEBRUARY 2021

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	1/31/21	02/28/21	28	3078	3560	1	482	
Activity Since Last Billing					Current Charges Detail				
Previous Balance					Energy Charge				
Payment(s)					Service Availability Charge				
Balance Forward					Wildfire Mitigation Rider				
					County Tax				
					City Tax				
					Franchise Fee				
					Current Charges Due				
					TOTAL CHARGES DUE 03/23/2021				

FEBRUARY 2022

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	1/31/22	02/28/22	28	3078	3560	1	482	
Activity Since Last Billing					Current Charges Detail				
Previous Balance					Energy Rate per kWh				
Payment(s)					Distribution Services Rate per kWh				
Balance Forward					Service Availability Charge				
					Wildfire Mitigation Rider				
					County Tax				
					City Tax				
					Town of Buena Vista Franchise Fee				
					Current Charges Due				
					TOTAL CHARGES DUE 03/23/2022				

BILL SCENARIO 3 – Part-time resident outside of town or city limits

In the next case, this consumer is a seasonal resident who leaves the area for Arizona in the winter months. They winterize their home for the most part while they are gone, leaving an appliance plugged in. Here is a copy of their bill from January 2021.

There is a **\$14.67 increase** for the month from 2021 to 2022 under the rate restructure.

FEBRUARY 2021

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	1/31/21	02/28/21	28	11526	11569	1	43	
Activity Since Last Billing					Current Charges Detail				
Previous Balance \$53.77					Energy Charge 43 @ 0.129440 \$5.57				
Payment(s) -\$53.77					Service Availability Charge \$31.83				
Balance Forward \$0.00					Wildfire Mitigation Rider \$6.00				
					County Tax \$1.19				
** COOPERATIVE NEWS **					Current Charges Due \$44.59				
To help avoid a catastrophic wildfire, a \$6 monthly Wildfire Mitigation Rider goes into effect Jan 1, 2021. For more information, visit SDCEA's website at myelectric.coop/safety .					TOTAL CHARGES DUE 03/23/2021 \$44.59				

FEBRUARY 2022

Service Address: 123 SUNNY ROAD					Bill Type: BANKDRAFT				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	
1ND123	101	1/31/22	02/28/22	28	11526	11569	1	43	
Activity Since Last Billing					Current Charges Detail				
Previous Balance \$53.77					Energy Rate per kWh 43 @ 0.04574 \$1.97				
Payment(s) -\$53.77					Distribution Services Rate per kWh 43 @ 0.05941 \$2.55				
Balance Forward \$0.00					Service Availability Charge \$46.15				
					Wildfire Mitigation Rider \$7.00				
					County Tax \$1.59				
** COOPERATIVE NEWS **					Current Charges Due \$59.26				
To help avoid a catastrophic wildfire, a \$7 monthly Wildfire Mitigation Rider goes into effect Jan 1, 2022. For more information, visit SDCEA's website at myelectric.coop/safety .					TOTAL CHARGES DUE 03/23/2022 \$59.26				

BILL SCENARIO 4 – Net meter (residential solar) in the town of Buena Vista

The final example is that of a net meter (residential solar) consumer. While the power generated by the consumer offsets much of their cost of energy, they still rely on the electric grid to provide electricity for a portion of their power.

In this scenario, the bill increases by **\$39.68**. The increased service availability charge and the distribution charge, which are designed to decrease the subsidization of consumers whose use less energy by consumers who use more energy, impact this bill more significantly. The distribution charge reflects the cost of delivering energy to the consumer when their solar array is not generating, such at night or when it is cloudy.

AUGUST 2021

Service Address: 123 SUNNY ROAD					Bill Type: NET METER				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	Production
1ND123	101	7/31/21	8/31/21	31	96918	96504	1	-340	0.0
1ND789	96	7/31/21	8/31/21	31	49691	50787	1	0	1096
Activity Since Last Billing					Current Charges Detail				
Previous Balance \$38.87					Service Availability Charge \$31.83				
Payment(s) -\$38.84					Wildfire Mitigation Rider \$6.00				
Balance Forward \$0.00					County Tax \$1.04				
					City Tax \$0.95				
					Franchise fee \$0.38				
** COOPERATIVE NEWS **					Current Charges Due \$40.21				
To help avoid a catastrophic wildfire, a \$6 monthly Wildfire Mitigation Rider goes into effect Jan 1, 2021. For more information, visit SDCEA's website at myelectric.coop/safety .					TOTAL CHARGES DUE 09/23/2021 \$40.21				
					Net Banked KWH: 2172				

AUGUST 2022

Service Address: 123 SUNNY ROAD					Bill Type: NET METER				
Meter #	Rate	From	To	Days	Previous	Present	Mult	kWh Usage	Production
NXD123	101	7/31/22	8/31/22	31	96918	96578	1	-340	0.0
NXD123	999	7/31/22	8/31/22	31	10000	10414	1	414	0.0
1ND789	96	7/31/22	8/31/22	31	49691	50787	1	0	1096
Activity Since Last Billing					Current Charges Detail				
Previous Balance \$38.87					Service Availability Charge \$46.15				
Payment(s) -\$38.84					Wildfire Mitigation Rider \$7.00				
Balance Forward \$0.00					County Tax \$2.14				
					City Tax \$0.79				
					Distribution Services Rate per kWh 414 @ 0.05941 \$24.60				
					Franchise fee \$0.27				
** COOPERATIVE NEWS **					Current Charges Due \$80.94				
To help avoid a catastrophic wildfire, a \$7 monthly Wildfire Mitigation Rider goes into effect Jan 1, 2022. For more information, visit SDCEA's website at myelectric.coop/safety .					TOTAL CHARGES DUE 09/23/2022 \$80.94				
					Net Banked KWH: 2172				

RATE RESTRUCTURE & BILL CHANGES

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maintenance costs, as well as financial costs. This charge is intended to recover the cost of owning, operating, and maintaining the infrastructure (such as power lines, transformers, equipment and buildings) necessary to connect your home or business to the grid. This charge also includes financial, administrative and staffing costs.

The cost-of-service study identified that the former service availability charge was not collecting enough revenue to pay for the fixed costs associated with having and providing service to each member. Specifically, these costs have been subsidized by revenue received through SDCEA's former energy charge. The disparity in paying for these fixed costs through the energy charge is that members who use and pay for more energy subsidize the costs to provide service to members who use and pay for less energy. SDCEA's goal is to distribute those costs fairly among rate payers.

To pay for the actual costs covered by the service availability charge, the cost-of-service study showed that the monthly service availability charge needed to be increased from \$31.83 to \$46.15.

While the new service availability charge is an increase from what consumers paid previously, consumers who use about 650 kWhs or more will see no increase, and likely a decrease in their overall bill. Those who use less than 650 kWhs a month will see an overall increase in their bill.

It is our aim through restructuring and itemizing our charges, we may more fairly recover costs from those who use our system. We also hope that our consumers have a better understanding of the cost components of their monthly bill.



Scholarship & Youth Tour opportunities

SDCEA SCHOLARSHIP & YOUTH TOUR OPPORTUNITIES ARE OPEN FOR APPLICATIONS!

APPLICATION DEADLINES:

Washington D.C. Youth Tour
Friday, January 14, 2022 • 5 p.m.

Scholarship Application
Friday, January 21, 2022 • 5 p.m.

For more information and directions on how to apply for these opportunities, visit **myelectric.coop**, click on the **Community tab** and choose "Youth Programs" from the drop-down menu. Call 719-395-2412 or toll-free 1-844-395-2412; or email **communications@myelectric.coop**.



Sangre de Cristo Electric Association
Your Community Electric Cooperative