

UNDERSTANDING THE WHY OF YVEA RATE INCREASES

PART 3: THE RISING COST OF DOING BUSINESS

BY STEVE JOHNSON PRESIDENT AND GENERAL MANAGER



STEVE JOHNSON

As discussed in the May 2022 issue, we have dedicated three installments of the manager's column to the "why" of rate increases that are necessary for Yampa Valley Electric Association to operate in a healthy, fiscally responsible manner. YVEA is raising rates due to three main drivers: power supply costs, maintaining and investing in our infrastructure, and the rising cost of doing business. For my final installment I will talk about the rising cost of doing business.

Like you, we are dealing with rising costs and lead times when it comes to procuring materials needed to maintain and improve our systems. We are seeing lead times of up to two years for certain items we need to purchase and are struggling with price volatility for these materials. We thought that as we got out of the pandemic, there would be an easing of these supply chain constraints. These long lead times and price volatility along the way lead to us having to be creative with our budgets, allowing room for cost increases from work-plan conception all the way through the completion of projects. There are many moving parts to try and keep material costs down so we can remain fiscally responsible and healthy for our membership.

What is incredible about electricity is we don't think about it until we flip our light switch and nothing comes on. We've hired, and continued to hire, amazing employees at YVEA to help ensure the last thing you worry about when you come home after work is whether or not your lights will turn on. Maintaining the reliability you depend on to live your life, to run your business, or to host a neighborhood get-together, takes the right people in the right jobs to get that done. YVEA has worked on creative ways to attract skilled, talented employees to our valley and co-op. We established succession plans for employees to promote internal growth. We have designed and implemented a nationally-recognized certification process for our lineworkers so we can attract apprentices to help us keep your lights on. Hiring and retaining a skilled staff helps us work to decrease outage times and improve reliability.

We are not driven by profits like an investor-owned utility. Instead, YVEA is committed to analyzing our rates to meet the evolving needs of our members, improving and maintaining our infrastructure, and navigating the rising costs of doing business. While no one wants to pay more for any service, I assure you that our rate adjustment is designed to improve and modernize our infrastructure and operations so we can provide you with reliable and affordable electricity today and in the future. Thank you for your support and understanding of our need to raise rates. We appreciate you, our members, and the amazing communities we serve.

For more details on our rates and answers to some frequently asked questions, please visit: yvea.com/2022-rate-increase.

YAMPA VALLEY ELECTRIC ASSOCIATION

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Yampa Valley Electric Association

is a cooperative that provides value to its member-owners through technology that delivers safe and reliable electrical service in an environmentally and financially responsible manner.

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ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER.