

# K.C. ELECTRIC ASSOCIATION

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**Our mission** is to provide our members with safe, reliable service at the lowest cost, while maintaining an environmentally responsible, accountable and sustainable operation now and in the future.

## 2024 RATE ADJUSTMENT

BY DAVID CHURCHWELL GENERAL MANAGER



DAVID CHURCHWELL

Earlier this year during my Annual Meeting speech and in a previous article in this magazine, I mentioned that our wholesale power supplier, Tri-State Generation and Transmission, determined that it would need to raise the rate it charges us in 2024. Not only is Tri-State raising its wholesale rate, but it also developed a new rate design that will impact the manner in which we are billed each month.

K.C. Electric Association's wholesale electric rate consists of a transmission demand charge, a generation demand charge, and an energy charge. Electricity demand is measured in kilowatts and represents the rate at which electricity is used over a defined period, such as 15 minutes or 30 minutes; and energy is measured in kilowatt-hours and represents the amount of electricity used over a certain period (in this case, one month).

Tri-State has not raised its wholesale energy rate since 2016. The power supplier actually reduced rates 2% in March 2021 and an additional 2% in March 2022. Most energy providers have been raising their rates the past several years, so it is no surprise that the time has come for Tri-State to raise its rates.

As I mentioned, Tri-State lowered its rates 4% over the past couple of years and you might ask yourself, "If Tri-State lowered rates, then why didn't K.C. Electric lower rates?" Our staff and directors suspected that Tri-State would need to raise rates eventually, so we elected to not lower our rates the past two years, expecting a rate increase would be needed in 2024. Increased regulation and continued inflationary pressures have caused upward rate pressure for Tri-State to the point that a rate increase is necessary.

Instead of lowering rates, K.C. decided to keep retail rates steady and issued a December bill credit to each member

receiving electric service in 2021 and 2022. If you were receiving service from K.C. Electric in 2021 or 2022, then you received a 2% bill credit in December 2021, and a 4% bill credit in December 2022 reflecting Tri-State's rate reduction.

K.C. Electric's annual cost of wholesale power is typically 70%–75% of total annual expenses. So, any increase in our cost of wholesale power puts upward pressure on the rates we charge you. With the likelihood of a wholesale rate increase in 2024, K.C. hired a rate consultant to conduct a cost-of-service study (COSS) for the association. A COSS allocates all our costs to members based on rate class usage patterns and determines if the revenue generated by a rate class is covering its cost of providing service. K.C. currently has 11 rate classes including town residential, rural residential, non-domestic, small commercial, large commercial, oil well pumping, large power, street lighting, two wind rates, and irrigation.

As an electric cooperative, K.C. Electric has cost considerations instead of profit motives when we design and implement rates. We continually work to keep operational costs down so that we can keep electricity affordable. We design our rates to cover all our expenses with a small margin left over. These margins are then allocated back to you, our member-owners, each year.

The COSS is nearly complete, but I don't yet know how each of the rate classes will be affected. There may be some rate classes that see an increase, and others may be adjusted slightly or not at all. Be assured, as a not-for-profit electric cooperative, we're not in the business of making money — we're in the business of providing safe, reliable, and affordable electricity.



**happy  
thanks  
giving**

**May Your Blessings be Multiplied  
this Year to You and Your Family**

Happy Thanksgiving from the  
Employees and Board of Directors  
of K.C. Electric Association



## Claim Your Savings

Each month, K.C. Electric Association members have a chance to claim a \$20 credit on their next electric bill. All you must do is find your account number, call the Hugo office at 719-743-2431, and ask for your credit. The account numbers are listed below. How simple is that?

You must claim your credit during the month in which your name appears in the magazine (check the date on the front cover).

**Charlotte Poet, Flagler — 1107910001**

**David Johnson, Hugo — 630270007**

**Joanne Wolf, Seibert — 812700002**

**Terry Randolph, Hugo — 627500021**

In September, three consumers called to claim their savings: Marsha Harlan, Stratton; Mike Vanmaarth, Burlington; and Jim Dobler, Burlington.

## ATTENTION IRRIGATORS

If you plan on making any ownership or physical changes to your irrigation service this year or next year, please contact us so we can update your account. Questions regarding your irrigation service? Call K.C. Electric at 719-743-2431



## COOK UP ENERGY SAVINGS THIS HOLIDAY SEASON.

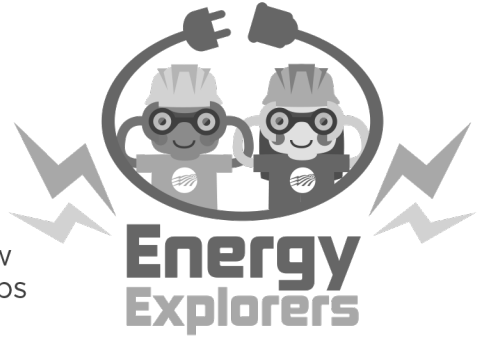
- Clean oven burners regularly.
- Match the pan size to the burner you're using.
- Use small appliances like slow cookers and toaster ovens when possible.

**From our table to yours,  
Happy Thanksgiving!**

# THE STEPS TO RESTORING POWER

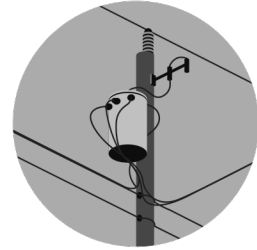
When the power goes out, line crews work hard to restore electricity as quickly and safely as possible. To ensure the process is done efficiently, line crews follow specific steps to restore power. Can you order the steps below to match how power is restored?

**Hint:** Check your work in the answer key.



STEP # \_\_\_\_\_

**Tap lines** are inspected. These lines deliver power to transformers that are either mounted on utility poles or placed on pads for underground electric service.



STEP # \_\_\_\_\_

**Distribution power lines** are inspected. These are the lines you typically see on the side of the road that deliver power to communities.



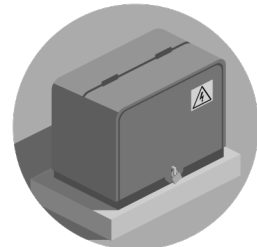
STEP # \_\_\_\_\_

**Large, high-voltage transmission lines** are inspected for damage. These power lines deliver large amounts of electricity over great distances.



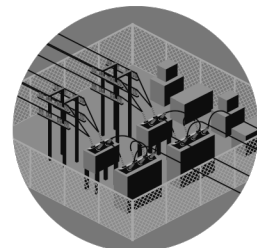
STEP # \_\_\_\_\_

**Service lines** are inspected. These are the power lines that run **between the transformer and your home**.



STEP # \_\_\_\_\_

**Distribution substations** are inspected. These facilities lower the voltage of power, then send power to distribution lines.



Answer Key: 4, 3, 1, 5, 2

# FIVE WAYS TO SAFEGUARD YOUR HOME THIS WINTER

BY ABBY BERRY

As the temperatures drop and the days grow shorter, there's a natural inclination to create a warm and cozy haven at home. Unfortunately, as we see increased use of heating equipment, candles, and electrical items, the number of home fires tends to increase during winter months.

Here are five ways you can safeguard your home for the winter season.

**1. Ensure that carbon monoxide and smoke detectors are working properly.**

If your detectors are battery-operated, replace the batteries annually. Test the detectors once a month and give them a good dusting to clear the sensors of dirt and debris.

**2. Inspect electrical cords.** We depend on more cords during winter, whether for holiday lighting, extension cords, or portable heaters. Before using any corded items, double check to make sure cords aren't frayed or cracked. If you use portable space heaters, remember to keep them at least 3 feet away from flammable items. Use models that include an auto shut-off feature and overheat protection. Space heaters can take a toll on your energy bills. Use them safely and efficiently (to heat smaller spaces). Never plug a space heater into a power strip. Speaking of power strips...

**3. Avoid overloading electrical outlets and power strips.** When overloaded with electrical items, outlets and power strips can overheat and catch fire. If you use power strips for multiple devices, make sure the strip can handle the electrical load. For a safer bet, look for power strips that include surge protection.



There's nothing better than a warm fire on a chilly night, but be sure to maintain your fireplace for safety.

- 4. Clean the fireplace to improve safety and efficiency.** There's nothing better than a warm fire on a chilly night, but it's important to maintain your fireplace for safety. As wood burns, a sticky substance known as creosote builds up in the chimney. When creosote buildup becomes too thick, a chimney fire can ignite. The chimney should be cleaned at least once a year to reduce fire risks. Regular cleaning also improves air flow and limits the amount of carbon monoxide that seeps indoors.
- 5. Practice safety in the kitchen.** As we spend more time in the kitchen during the holiday season, be mindful of potential fire hazards. Never leave food that's cooking on the stovetop unattended. Clean and remove spilled foods from cooking surfaces and be mindful of where you place flammable items such as dish towels.

Abby Berry writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association.

## Energy Efficiency Tip of the Month

The holiday season is upon us, and that means we'll be using more energy in the kitchen. When possible, cook with smaller countertop appliances instead of the stovetop or oven. Smaller appliances such as slow cookers, air fryers, and Instant Pots consume less energy than larger appliances.

When using the oven or stovetop, match the size of the pot to the heating element and place a lid over the pot while cooking. The food will cook faster, and you'll use less energy.

Source: Dept. of Energy

