

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

JANUARY 2024



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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.

MCREA ANNOUNCES 4.96% RATE INCREASE

Effective February 1, 2024

BY DAVE FRICK GENERAL MANAGER



DAVE FRICK

Last summer we notified our members that Tri-State Generation & Transmission Inc., our wholesale power supplier, had announced a rate increase for its membership, which includes Morgan County REA and 41 other electric distribution co-ops and public power districts across Colorado, Nebraska, Wyoming, and New Mexico. This increase is due to greater demand, higher energy prices, growing renewable requirements, and increased equipment cost pressures seen across our industry. As of January 1, MCREA received a 6.1% increase in the cost of purchased power from Tri-State.

If you were to describe a cooperative in just a few words, it would come down to this: shared cost, shared benefit. As members of MCREA, we share the cost of energy and infrastructure in order to power our homes and businesses. It was the best way to bring power to rural areas like ours in the 1930s and it continues to drive the cooperative model today. As a not-for-profit electric co-op, this also means that increased costs must be shared among the membership as well.

Wholesale power isn't the only cost increase we've seen, though it does make up over 70% of MCREA's operating expenses. Prices of items such as transformers, poles, and other materials have also increased significantly. One of the co-op's more significant expenses has been property taxes — which have nearly doubled in the past several years.

In response to increased wholesale rates and other costs, MCREA conducted a cost-of-service study using an independent consultant to evaluate where our costs are incurred and how these increases affect our different rate classes. This analysis helps guide a rate change that absorbs the increased costs, while minimizing the impact of these industry changes to our members as much as possible. In light of this study, MCREA members will see a 4.96% average increase as of February 1, 2024 — though the increase for each rate class will vary. Breaking down that average increase, 4.46% comes directly from the wholesale power increase, and the remaining .5% from increased operating expenses on MCREA's end.

Our commitment to affordable rates can be seen in our history of no rate increase since 2016, and a rare 1.79% reduction in 2022. MCREA's net increase since 2016 is just 3.2%. Compared to the 26% increase in inflation we've seen since 2016, this small increase allows electricity to remain one of the best commodity values for our members. This relative price stability compared to other common goods and services is a trend that MCREA's board strives to maintain.

Fortunately, MCREA shared good news with our membership just last month when the co-op gave \$4.5 million in capital credits back to our membership — the largest patronage retirement in MCREA history. This money came from the retirement of 2017 and 2018 MCREA capital and 2004 generation and transmission capital, meaning anyone who was an MCREA member during those years got a check according to how much power they purchased during those years. As is the case for many of the members who received checks last month, that money should outweigh the rate increase seen on their bills this year.

While there is never an ideal time for rate increases or higher prices, as a cooperative it is critical to adjust to these changes in a timely manner for the long-term financial well-being of the co-op. I encourage you to learn more about the upcoming rate increase in the following pages of this month's magazine and to call our office if you have any questions.

Our rates may be changing, but one thing never will: MCREA's commitment to delivering safe, reliable power to our members.

**WIN \$25 OFF
YOUR ELECTRIC BILL**



Each month, Morgan County REA gives two lucky members a chance at a \$25 bill credit, just by reading *Colorado Country Life*. Congratulations, Hollan Kendall and Wiggins Telephone Association! You each spotted your name in the November issue and called to receive a \$25 credit.

There are two more 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 January 31 to claim a \$25 credit on your next bill.

ENERGY EFFICIENCY

Tip of the Month

During winter months, ensure your home is well sealed and properly insulated to reduce the need for excessive heating. Seal air leaks around your home and add insulation where needed to save up to 10% on annual energy bills. (Mark Gilliland, acct. #xxx9900)

Install weather stripping on exterior doors and apply caulk around windows. Check attic insulation levels and hire a qualified contractor if additional insulation is needed.



Source: energystar.gov

**Morgan County Rural Electric Association, Inc.,
Notice of Proposed Change in Rates Charged
for Electric Service: Effective February 1, 2024**

Dear MCREA 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 February 1, 2024.

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 that is consistent with sound economic and business practices. As was announced last summer, our wholesale power provider, Tri-State Generation & Transmission, increased the wholesale rate charged to MCREA for purchased power by 6.1% as of January 1, 2024. The costs for MCREA to distribute that power have also increased significantly.

In response to these changes, an independent cost-of-service study was conducted late last year to guide a necessary rate change. As a result of the 2024 wholesale power rate increase and the recent cost-of-service study information, the MCREA Board of Directors has proposed an average overall rate increase of 4.96% for the 2024 electric rate classes.

It is MCREA's mission to serve members by providing safe, reliable energy as affordably as possible. On behalf of the Morgan County REA Board of Directors, thank you for your continued support of your local electric cooperative.

Sincerely,
Dave Frick, General Manager

IRRIGATION		
Rate Code 130		
	2023	2024
Facilities Charge (April-Sept)	\$ 100.00	\$ 105.00
Demand Charge per kilowatt	\$ 16.00	\$ 19.38
Energy Charge per kilowatt-hour	\$.0678	\$.0678
Annual Minimum	\$ 600.00	\$ 630.00
Demand Cap*	\$ 0.30	\$ 0.30

* The Demand Cap (total demand cost/kWh) 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		
	2023	2024
Facilities Charge	\$ 98.00	\$ 125.00
Demand Charge per kilowatt	\$ 8.45	\$12.00
Energy Charge per kilowatt-hour	\$.0718	\$.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 kW 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		
	2023	2024
Facilities Charge	\$ 28.00	\$ 31.00
Energy Charge per kWh	\$.1084	\$.1138

STOCK WELL		
Rate Code 05		
	2023	2024
Facilities Charge	\$ 32.00	\$ 35.00
Energy Charge per kWh	\$.1112	\$.1148
Annual Minimum	\$ 384.00	\$ 420.00

SMALL POWER		
Rate Codes 40, 41 and 61		
	2023	2024
Three Phase Facilities Charge*	\$ 67.00	\$ 75.00
Single Phase Facilities Charge*	\$ 45.50	\$ 50.25
Energy Charge per kWh	\$.0928	\$.0988

*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		
	2023	2024
Per 100 kWh block	\$.10	\$.10

LARGE POWER		
Rate Codes 50 and 56		
	2023	2024
Facilities Charge	\$ 86.25	\$ 95.00
Demand Charge per kW	\$ 11.50	\$ 14.35
Energy Charge		
First 400 kWh per kW	\$.0719	\$.0600
Over 400 kWh per kW	\$.0500	\$.0600

UNMETERED LIGHTING		
Rate Code 70		
	2023	2024
Each 100W Lamp	\$ 11.43	\$ 11.43
Each 150W Lamp	\$ 12.29	\$ 12.29
Each 175W Lamp	\$ 13.53	\$ 13.53
Each 400W Lamp	\$ 25.07	\$ 25.07
Each 1500W Lamp	\$ 86.37	\$ 86.37
Each LED Lamp	\$ 13.53	\$ 13.53

COMMERCIAL & INDUSTRIAL		
Rate Codes 85, 86 and 87		
	2023	2024
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	\$ 22.80
10–30 MW	\$ 21.00	\$ 24.00
Over 30 MW	\$ 23.57	\$ 25.45
kWh Charge		
1–10 MW	\$.0501	\$.0446
10–30 MW	\$.0481	\$.0426
Over 30 MW	\$.0440	\$.0370

ETS TIME-OF-USE		
Rate Code 07		
	2023	2024
Facilities Charge	\$ 28.00	\$ 31.00
Off-Peak Energy Charge per kWh	\$.0500	\$.0500
On-Peak Energy Charge per kWh	\$.2083	\$.2305

Off-Peak Hours | 12 p.m. – 5 p.m.; 10 p.m. – 7 a.m.
On-Peak Hours | 7 a.m. – 12 p.m.; 5 p.m. – 10 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 who desires a more detailed description of these rates may review the complete tariffs and policies at the office. MCREA staff is also available to discuss rates in more detail, either in person at the MCREA office located at 734 Barlow Rd, Fort Morgan, or by telephone at 970-867-5688.

Anyone who desires to complain about the proposed changes shall file a written complaint with MCREA 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.

MORGAN COUNTY REA SCHOLARSHIPS

Application Deadline is February 16

Through partnerships with Tri-State Generation and Transmission and Basin Electric Power Cooperative, Morgan County REA is once again proud to sponsor a total of nine college or vocational scholarships for students who reside within MCREA's service territory and whose family (parents or grandparents) receives electric service from MCREA. For the 2024-2025 school year, MCREA will award five \$1,000 scholarships to graduating seniors and one \$1,000 scholarship to a current postsecondary student who will be returning to college or trade school. Tri-State will award two \$500 scholarships to graduating seniors, and Basin Electric Power Cooperative will award one \$1,000 scholarship to a graduating senior.

Completed application materials must be submitted by Friday, February 16. (Susan Cook, acct. #xxx1200) Applications are available and submitted in an online format. Visit mcrea.org/scholarship-application to complete and submit your application. Only one set of application materials is necessary to apply for scholarships from all three cooperatives.

Those applying for the \$1,000 scholarship awarded to a current college or trade school student do not need to be previous MCREA scholarship winners to qualify.

More information regarding these scholarship opportunities can be found on MCREA's website at mcrea.org/college-scholarships. If you have any questions regarding MCREA scholarships, please call the member services department at 970-867-5688 or email memberservices@mcrea.org.



Previous MCREA scholarship recipient Ty Griffith.



NEW DISTRICT II DIRECTOR KYLE EIRING

Morgan County REA is pleased to announce Kyle Eiring as the newest addition to the Morgan County REA Board of Directors. He represents District II, having assumed the position following Randy Graff's resignation from the board late last year.

Kyle is a lifetime resident of Morgan County. He and his wife, Jennifer, live in Weldona with their four children, Gracie, Benjamin, Jacob, and Georgie. Active in farming and ranching, Kyle runs a cow-calf operation and raises irrigated hay. The family is very involved in the community and Kyle is a volunteer coach for various youth activities.

"I have quickly learned that the staff and employees at Morgan County REA are passionate people who are enthusiastic and willing to help the co-op and its members succeed," Kyle said. "I look forward to serving as a director for MCREA and being part of its mission to deliver safe, reliable energy to our members."

When asked about his goal for the cooperative and its board, Kyle responded, "My hope is to keep as much money as possible in the pocket of the member, while maintaining the excellent state of the co-op."

Kyle enjoys spending time with his family, following the kids as they participate in a variety of equine events and sports. The family enjoys working on the ranch and team roping. The Eirings are also active members of Christ Congregational Church.

What's the new rate going to look like?



While the rate increase will look a bit different for each rate class, below is an example of how a residential account, with average usage (1,074 kWh/month), will be affected by the change.

Current Service Detail		
Facility Charge		\$28.00
Energy Charge	1,074 kWh @ .108400	\$116.42
	↪ \$0.1138	
Total Current Charges		\$144.42

+ \$31.00

\$122.22

\$153.22