

UPCOMING REVENUE-NEUTRAL RATE STRUCTURE DETAILS EXPLAINED

OVER the next several months, I will be informing our membership of details pertaining to our upcoming rate structure change that will go into effect January 1, 2024. The revenue-neutral rate structure change has two main objectives. To align our long-term wholesale power rates with our member rates, and to assess those rates in a fair and consistent manner.

Fergus Electric Cooperative's wholesale power supplier, Basin Electric Power Cooperative, charges a monthly three-part rate that includes a base charge, an energy charge (kilowatt hours), and a peak demand charge (kilowatt). Fergus Electric serves 6,883 meters. Currently, 189 of our meters are billed using a three-part rate structure. The remaining 6,694 meters are charged based on a two-part rate structure, which includes a monthly base charge and an energy charge. Going forward, all member meters will be assigned a three-part rate based on monthly usage.

Approximately 55 percent of Fergus Electric's monthly wholesale



MANAGER'S MESSAGE

From Carson Sweeney

power costs are associated with peak demand. Your electric cooperative pays a premium for power used during peak hours. The electricity that you are currently consuming is being generated at the exact time you're using it.

Power plants are constantly fluctuating their output to match consumer demand. The cyclical nature of our electric consumption creates price changes in the wholesale market. Power prices decrease when demand is low, and increase when demand is high. As carbon-based generating facilities are pressured to close, the lack of new dispatchable generating facilities creates drastic market fluctuations.

Our wholesale power supplier has been able to provide stable and consistent rates during difficult times in the market. As stated, 55 percent of our monthly wholesale power costs are

attributable to peak demand. I believe our current rate structure cannot fairly and consistently assign costs to the cost causers. The new three-part rate structure is intended to do just that.

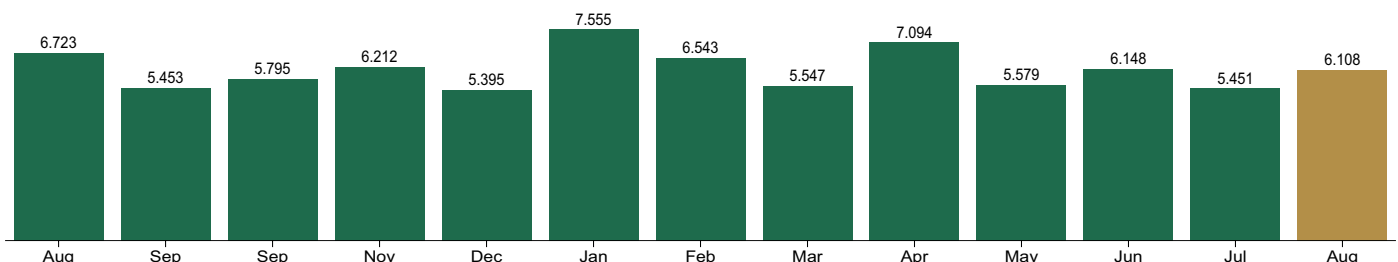
Each month the rate assessed for your meter will be based on how you consumed energy within that month. Your monthly bill provides detailed information on how and when you consume electrical energy. You can review historical meter-specific data on your bill or from our SmartHub app. On your bill, pay attention to the graph titled "Monthly Peak (kW)". See an example of the graph below. This chart informs you of when your electrical peak occurred within the billing period. Electrical peaks occur when multiple electrical devices are operating at the same time. Starting January 1, 2024, we will assess a charge to the highest 15-minute average peak demand within the peak hours explained below.

We are implementing a peak demand charge to collect costs more

See RATE CHANGE page 8

Monthly Peak (kW)

8/22/2023 - 11:03 am - 6.108 kW



Compare your usage each month and see when you create your peak. This number correlates to your Peak kW in the meter row.



Current Rate Schedule(s):

Effective: July 1st, 2011

- **Single Phase Service:**
 - Base Charge: \$32.50 /month
 - Energy Charge:
 - 0 - 1,000 kWh: \$0.1243
 - 1,001 – and above: \$0.1043
- **Single Phase Service > 400 amp:**
 - Base Charge: \$47.50 /month
 - Energy Charge:
 - 0 - 1,000 kWh: \$0.1243
 - 1,001 – and above: \$0.1043
- **Three Phase Service:**
 - Base Charge: \$68.00 /month
 - Energy Charge:
 - 0 - 2,000 kWh: \$0.0945
 - 2,001 – and above: \$0.0740
 - Demand Charge: > 6 kW: \$14.00/kW
- **Irrigation Service:**
 - Base Charge per Horsepower: \$23.10 /per season
 - Energy Charge: \$0.0975/kWh

Minimum Billing:

The minimum monthly billing under this schedule shall be the base charge. Payment is due by the 25th of the following month.

Type of Service:

Single phase or three phase, alternating current at 60 cycles, at Cooperative's standard voltage(s).

84423 US Highway 87 • Lewistown MT 59457 • 406-538-3465
102 Railroad Ave E Roundup MT 59072 • 406-323-1602
fax 406-538-7391 • www.ferguselectric.coop



New Rate Schedule: General Service

Effective: January 1st, 2024

Rate Per Month – Based on Monthly Peak Demand (kW)

- **0 kW ≤ 30 kW:**
 - Base Charge: \$32.50
 - Energy Charge: \$0.10/kWh
 - Peak Demand Charge: \$2.50/kW
- **> 30 kW ≤ 60 kW:**
 - Base Charge: \$45.50
 - Energy Charge: \$0.0925/kWh
 - Peak Demand Charge: \$6.50/kW
- **> 60 kW ≤ 90 kW:**
 - Base Charge: \$58.50
 - Energy Charge: \$0.085/kWh
 - Peak Demand Charge: \$10.50/kW
- **> 90 kW < 1,000 kW:**
 - Base Charge: \$71.50
 - Energy Charge: \$0.0775/kWh
 - Peak Demand Charge: \$14.50/kW

Peak Demand (kW):

The peak demand (kW) value measured by the meter within the billing period will be used to define which general service rate category will be billed to the member. The billed peak demand (kW) will be the highest average demand over a 15-minute period within the billing period, between the times of:

- January 1st – May 31st: (6:00 a.m. – 9:00 a.m.) & (6:00 p.m. – 9:00 p.m.)
- June 1st – September 30th: (6:00 p.m. – 9:00 p.m.)
- October 1st – December 31st: (6:00 a.m. – 9:00 a.m.) & (6:00 p.m. – 9:00 p.m.)
- Peak demand charges will not be applied to demand values occurring outside these hours.

Minimum Billing:

The minimum monthly billing under this schedule shall be the base charge of \$32.50. Rate determined monthly by monthly peak demand (kW).

Type of Service:

Single phase or three phase, alternating current at 60 cycles, at Cooperative's standard voltage(s).

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RATE CHANGE

Continued from page 5

accurately and fairly from members who use power during peak hours. Fergus Electric's peak hours occur between 6-9 a.m. and 6-9 p.m. Our peak is directly related to the morning routine as each of us prepares for the day, and an evening routine of meal preparation and hot water consumption. The implementation of a peak demand charge for specific hours of the day gives members more control over their monthly power bill. Members will have the opportunity to reduce their peak demand costs by shifting usage to off-peak hours.


The peak demand charge will only be assigned to electrical peaks that occur within (2) three-hour periods of the day; (6-9 a.m.) and (6-9 p.m.). There are four months of the year that we will only assign a peak demand charge during the evening hours of (6-9 p.m.): June, July, August and September.

With the implementation of a peak demand charge, you may notice that we are also reducing the energy charge (kWh) assessed to our members. These changes represent a revenue-neutral change to Fergus Electric on an annual basis. However, your monthly costs may increase or decrease based on your usage profile. Members who use a lot of energy (kWh) may see a reduction in their monthly bills due to the lower

energy rate. Members who have a high peak demand but don't consume that much energy are likely to see their bills increase. Irrigators who only put water on their fields for one or two months of the year are likely to see a significant decrease in their annual irrigation costs.

Each member is likely to have unique circumstances that determine their electric usage profile and the resulting monthly bill. We have an excellent team of engineers that is ready to help you understand how these changes will directly affect you. If you have questions pertaining to the new rate structure, I encourage you to give our team a call. We will investigate your specific usage to learn how you can be in better control of your monthly bill.

We have been busy taking calls from members who are interested in taking advantage of our new heat rate credit. This rate provides a monthly credit for members who heat their buildings with electricity. If you are a member who heats with electricity, I encourage you to give us a call at 406-538-3465 to learn more about this new rate.

We will continue to inform our membership of the upcoming rate-structure change. If you have questions, please don't hesitate to call. I look forward to working with you throughout the implementation of this change. 

IDENTIFY ACCOUNT NUMBER*

WIN A \$32.50 CREDIT

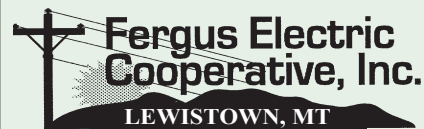
If one of the following account numbers is yours, call Fergus Electric (406-538-3465) and identify yourself and your account number and you will receive a \$32.50 credit on next month's statement.

**Account 395652, Account 396268
Account 392570, Account 394971
Account 395261, Account 352781**

CONGRATULATIONS!

Joe Moriarty of Lewistown, **Robert Willems** of Harlowton, **Walter Stiehm** of Roundup and **Ellen Sievert** of Great Falls (Service Loc. Hilger)

*NUMBERS ARE DRAWN MONTHLY



Your Touchstone Energy® Partner

FOR OUTAGES

First: Check the fuses or breakers in the building in which the electricity is off.

Second: Check the breaker below the meter.

Third: If electricity is still out, call a neighbor to see if they have electricity.

Fourth: Call 406-538-3465 day or night or:

Dale Rikala	406-366-3374
Bret Ophus	406-366-7523
Bret Nellermeoe (Roundup).....	406-939-0636
Carson Sweeney	406-366-0971
Melanie Foran.....	406-462-5650
Scott Olson.....	406-366-5822
Dan Balster.....	406-366-0975

FERGUS ELECTRIC COOPERATIVE, INC.

84423 US Hwy. 87, Lewistown, MT 59457-2058

Tel: 406-538-3465

Office Hours: 7 a.m. - 5:30 p.m. M-Th.

Website: www.ferguselectric.coop

E-mail: ferguselectric@ferguselectric.coop

Facebook: www.facebook.com/ferguselectric

Carson Sweeney.....General Manager
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Janine Rife Didier.....Editor

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Fergus Features is an award-winning newsletter.

October is Co-op Month

SPREAD THE WORD

Help celebrate Co-op Month! Complete this form and return it to Fergus Electric Cooperative, 84423 U.S. Highway 87, Lewistown, MT 59457 by October 31. Your name will be entered in a drawing for an electric credit of \$50. **Three winners will be contacted in November.**

NAME: _____ PHONE: _____

ADDRESS: _____