



CORDOVA ELECTRIC COOPERATIVE PUBLIC HEARING AGENDA

**Wednesday, February 28, 2024 at 6:00 PM
Cordova Center Education Room**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. STAFF PRESENTATION ON PROPOSED TARIFF REVISIONS**
- 4. PUBLIC HEARING ON PROPOSED TARIFF REVISIONS**
- 5. ADJOURNMENT**

Chair

Joe Cook

Vice Chair

Stephen Phillips

Secretary/Treasurer

Steve Ranney

Directors

Scott Pegau

Rob Campbell

Andrew Smallwood

Jeremy Botz

CEO

Clay Koplín



Tariff Revision Information

The proposed 15.5% rate increase is necessary to keep up with the rising costs of electric service. While 15.5% is a large increase compared to increases in years past, it is only applicable to consumer, energy, and demand charges, which make up about 75 – 80% of electric bills. The overall impact of the increase on electric bills is about 12%. CEC's rates have increased slower than inflation over the past 20 years, meaning bills from 10-20 years ago "felt" much larger than current bills will, even after this increase.

The quarterly fuel surcharge, seasonal rates, PCE credit, and individual usages makes it very difficult for customers to have a feel for what their electric bill is going to be month to month. For ease of comparison, a residential unit using 500 kWh in the summer, is increasing from \$184 to \$212, a \$28 difference. A decrease in fuel surcharge due to efficiency upgrades is estimated to be \$8 each month, so the impact on a residential bill is roughly \$20 each month.

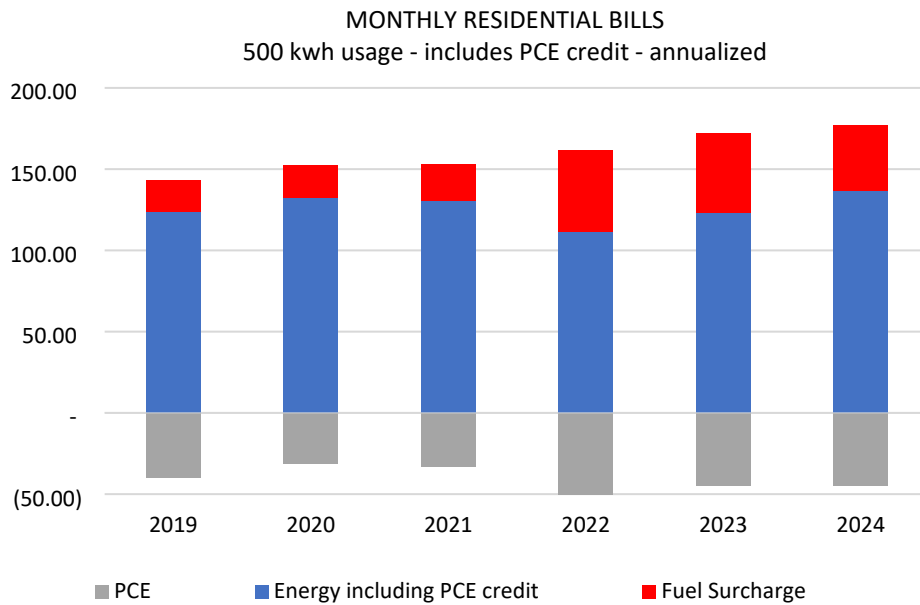
Costs dramatically increased in 2022 and have stayed high. Except for hydroelectric production, all operating activities have increased. There is no singular cost that is driving the increase, it is felt everywhere. The issue of rising costs is compounded by the overall declining sales environment and the even-year lows of seafood processing. Revenues need to increase as sales are decreasing.

CEC is a nonprofit organization, so there is no advantage for CEC to over collect with rates, as profits are retired back to members in the form of capital credits. CEC owes capital credits back to the membership regardless of today's environment. Retiring capital credits or holding on to them would not change CEC's need for additional revenues in 2024. CEC is in good financial condition, which is why the board of directors has committed to capital credit retirements for the last six years and plans to continue.

This rate increase allows CEC to continue to deliver safe, reliable, and renewable power now and for future generations of Cordovans. CEC can't increase rates arbitrarily, so while we've heard some feedback that rates should have been increased in prior years to avoid a large one-time increase, there was no cost justification, because revenues were sufficient.

CEC is working diligently to maintain Cordova's electrical system and provide stability in customer electric bills. In 2023 CEC achieved its highest hydro output ever, which reduces the fuel surcharge paid by customers. CEC is also improving the efficiency of its diesel fleet, so that diesel is burned as efficiently as possible. In addition, CEC has adopted a margin stabilization plan that will help stabilize rates between high and low sales years.

Example Residential Bill			
500 kwhs - summer rates			
	2023	2024	
Energy Charge	\$ 184	\$ 212	28
Fuel Surcharge	\$ 49	\$ 41	(8)
Total	\$ 233	\$ 253	20
PCE Credit	\$ (45)	\$ (45)	-
Customer Bills	\$ 188	\$ 208	20



SCHEDULE 100 – RESIDENTIAL

AVAILABILITY

Available to consumers of the Cooperative for all home uses subject to its established rules and regulations. Service under this schedule is limited to individual motors up to and including ten (10) horsepower.

TYPE OF SERVICE

Single phase, 120/240 volt service with 200 amp or smaller service equipment.

APPLICATION

Service for all home purposes in single occupancy residences. Service under this schedule is limited to consumers whose load requirements do not exceed 20 KW.

BASE CHARGE

	<u>Apr 1 to Sep 30</u>	<u>Oct 1 to March 31</u>
Consumer (\$/month)	\$29.15 <u>\$33.70</u>	\$15.60 <u>\$18.05</u>
Energy (cents/kWh)		
First 500 kWh/month	\$0.3080 <u>\$0.3557</u>	\$0.2822 <u>\$0.3259</u>
Over 500 kWh/month	\$0.2401 <u>\$0.2773</u>	\$0.2199 <u>\$0.2540</u>

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. This schedule applies only to a single occupancy residential dwelling.
2. This schedule shall apply to consumers having their homes on the same premises as their business provided the primary use of the premises is residential.
3. The foregoing schedule will be applied to each meter and point of delivery and in no event shall meter readings be combined.
4. DELIVERY POINT--The delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.
5. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
6. Base charges shall be adjusted pursuant to Schedule 951 of this tariff.
7. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 200 – GENERAL SERVICE

AVAILABILITY

Available to non-residential consumers for all uses including lighting, appliances, cooking, heating, and motors, all subject to the established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE

Single-phase 120/240 volt service, 200 amp or smaller service equipment.

APPLICATION

General service for power and lighting purposes where all service taken by the consumer is supplied through one meter at one point of delivery.

Service under this schedule is limited to non-residential consumers whose load requirements have not exceeded 20 KW during the past 12 months.

BASE CHARGE

Consumer (\$/month)	\$24.50 <u>\$28.30</u>
Energy (cents/kWh)	
First 500 kWh/month	\$0.2696 <u>\$0.3114</u>
Over 500 kWh/month	\$0.2305 <u>\$0.2662</u>

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. DELIVERY POINT--The delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines-and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.
2. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
3. Base charges shall be adjusted pursuant to Schedule 951 of this tariff
4. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 300 – BOAT HARBOR

AVAILABILITY

Available to boat slip lease holders for all uses, including lighting, appliances, cooking, heating, and motors, all subject to the established rules and regulations of the Cooperative covering this service.

TYPE OF SERVICE

Single-phase at available voltages in the small boat harbor.

APPLICATION

Dockside service for power and lighting purposes where all service taken by the consumer is supplied through one meter at one point of delivery.

Service under this schedule is limited to consumers whose load requirements do not exceed the installed circuit breaker capacity of their slip in the boat harbor.

BASE CHARGE

	<u>Apr 1 – Sep 30</u>	<u>Oct 1 – March 31</u>
Consumer (\$/month)	\$33.50 <u>\$38.70</u>	\$17.95 <u>\$20.75</u>
Energy (cents/kWh)		
First 500 kWh/month	\$0.3550 <u>\$0.4100</u>	\$0.3550 <u>\$0.4100</u>
Over 500 kWh/month	\$0.3206 <u>\$0.3703</u>	\$0.3206 <u>\$0.3703</u>

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. Delivery Point--At the Cooperative's transformer at the head of the float. As a convenience to consumers, CEC will read electric meters located on the City floats and submit bills based on the consumption at that point.
2. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
3. Base charges shall be adjusted pursuant to Schedule 951 of this tariff.
4. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 800 – LARGE POWER

AVAILABILITY

Available to consumers whose single phase continuous fifteen minute demand exceeds 20 KW during any period throughout the calendar year and all three phase users who are located on or near the Cooperative's lines for all types of usage, subject to the established rules and regulations of the Cooperative. This is available only to consumers requiring power on a year-round basis.

TYPE OF SERVICE

Single or three phase, 60 cycles, at the Cooperative's standard voltages.

BASE CHARGE

Consumer (\$/month) ~~\$53.00~~ \$61.25

Demand Charges ~~\$7.60~~ \$8.78 per KW

Energy Charges:

First 5,000 kWh @ ~~\$0.1808~~ \$0.2088

Next 20,000 kWh @ ~~\$0.1605~~ \$0.1854

Over 25,000 kWh @ ~~\$0.1399~~ \$0.1616

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter, subject to any minimum demand charges.

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. Delivery Point--If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.
2. If service is furnished at the Cooperative's primary line voltage, the delivery point shall be the point of attachment to the Cooperative's primary lines at the time the connection is made. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.
3. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
4. Base charges shall be adjusted pursuant to Schedule 951 of this tariff.
5. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 810 – SEAFOOD PROCESSORS

AVAILABILITY

Available to seafood processing consumers whose three phase continuous fifteen minute demand exceeds 500 KW during any period throughout the calendar year who are located on or near the Cooperative's lines, subject to the established rules and regulations of the Cooperative. This is available only to consumers requiring power on a year-round basis.

TYPE OF SERVICE

Three phase, 60 cycles, at the Cooperative's standard voltages.

BASE CHARGES

Consumer (\$/month) ~~\$144.00~~ \$166.35
Demand Charges ~~\$15.80~~ \$18.25 per kW

	<u>Apr 1 – Sep 30</u>	<u>Oct 1 – Mar 31</u>
Energy Charges (\$/kWh):		
All Tier I energy at	\$0.2320 <u>\$0.2680</u>	\$0.2075 <u>\$0.2397</u>
All Tier II energy at	\$0.1932 <u>\$0.2231</u>	\$0.1843 <u>\$0.2129</u>
All Tier III energy at	\$0.1932 <u>\$0.2231</u>	\$0.1712 <u>\$0.1977</u>
All Tier IV energy at	\$0.1341 <u>\$0.1549</u>	\$0.1341 <u>\$0.1549</u>

Energy Amounts (kWh/month)

	<u>Apr 1 – Sep 30</u>	<u>Oct 1 – Mar 31</u>
Tier I	0 – 20,000	0 – 20,000
Tier II	20,001 – 40,000	20,001 – 40,000
Tier III	40,001 – 400,000	40,001 – 200,000
Tier IV*	Greater than 400,000	Greater than 200,000

*(Tier IV=seafood incentive)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below, subject to any minimum demand charges.

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. The delivery point shall be the metering point (high voltage metering equipment) unless otherwise specified in the contract for service. All wiring, power lines, transformers and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
3. Base charges shall be adjusted pursuant to Schedule 951 of this tariff.
4. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 900 – STREET LIGHTS

AVAILABILITY

Available to consumers of the Cooperative for all uses subject to its established rules and regulations.

TYPE OF SERVICE

250 Watt "Cobra Head" or "Dusk to Dawn" light fixture installed on existing facilities and LED lights installed on new or existing facilities by the Cooperative at rates specified herein.

APPLICATION

To all non-metered street lighting service requested by consumers.

RATES (MONTHLY CHARGES)

	kWh/ Month	Base Energy*	Maintenance Fee	Replacement Fee	Total Charge
250 Watt	110	\$42.61 <u>\$49.23</u>	\$2.40 <u>\$2.77</u>	\$0.00	\$45.01 <u>\$52.00</u>
84 W LED	31	\$12.01 <u>\$13.87</u>	\$2.40 <u>\$2.77</u>	\$19.05 <u>\$22.01</u>	\$33.46 <u>\$38.65</u>

*Energy rates are ~~0.3874~~ \$0.4475 per kWh

MINIMUM CHARGE

Twelve (12) times the monthly charge.

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

GENERAL PROVISIONS

1. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
2. Base charges shall be adjusted pursuant to Schedule 951 of this tariff.
3. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 902 – SIGNAL LIGHTS

APPLICATION

This rate applies to consumer furnished signal lights. The Cooperative will not maintain signal lights. This service is available only where the Cooperative has secondary voltage available in the area of the signal light.

TYPE OF SERVICE

Single-phase, 60 Hertz, 120 or 240 volts.

RATES

Due to the widely varying nature, size, and characteristics of these lights, the following formula will be used to determine monthly charges:

Electrical load (KW) times hours per day operation times 30 days equals monthly kWh usage.

Monthly kWh usage times ~~\$0.3874~~\$0.4475 equals monthly energy charge plus ~~\$2.40~~\$2.77-per month billing charge.

FUEL COST ADJUSTMENT

Fuel Cost Adjustment: A surcharge shall be applied to each billing for service under this schedule to reflect the cost of fuel purchased by the Cooperative. The Fuel Cost Adjustment surcharge is found within Section 952 of this tariff.

MINIMUM ANNUAL CHARGE

Twelve (12) times monthly charge.

GENERAL PROVISIONS

1. Bills shall be reduced by an amount equal to the Power Cost Equalization credit as provided in Schedule 950.
2. Base charges shall be adjusted pursuant to Schedule 951 of this Tariff.
3. Bills shall be increased by an amount equal to the Fuel Cost Adjustment as provided in Schedule 952.

SCHEDULE 1000 – INTERRUPTIBLE POWER

AVAILABILITY

Available to consumers of the Cooperative for all new interruptible loads with an expected demand of at least 100 kW and no more than 500 kW in 250 kW or smaller blocks during any one month of the expected service. Service can be either single or three phase.

TYPE OF SERVICE

Single or three phase, 60 cycles, at the Cooperative's standard voltages. Service is interruptible and shall be provided only when the Cooperative has excess hydroelectric generation as described in General Provisions.

BASE CHARGE

Consumer Charge (\$/month) ~~26.00~~ \$30.05

Energy (dollars/kWh) ~~\$.0780~~ \$.0901

The Consumer Charge shall be applied in all months of the year regardless of delivery of energy under this service.

FUEL COST ADJUSTMENT

No Fuel Cost Adjustment shall be applied to any power sold under this rate.

POWER COST EQUALIZATION

No adjustment for Power Cost Equalization shall be made for power sold under this rate.

GENERAL PROVISIONS

1. This schedule applies only to new loads presently not on the system. The Cooperative shall have the right to make the determination whether the load qualifies for this rate. Load must be connected within 180 days of application.
2. This schedule shall apply only to interruptible loads having an expected peak demand of 100-500 kW limited to 250 kW switched blocks as estimated by the Cooperative.
3. Electric energy sold under this rate shall be delivered only if the Cooperative is meeting all of its power requirements with hydroelectric generation.
4. The delivery point shall be the metering point unless otherwise specified in the contract for service.
5. The cooperative shall be responsible for installing, operating, and maintaining the following equipment:

All wires, underground lines, control signal, and delivery equipment to the delivery point will be consistent with CEC's line extension policy (See Tariff Section 6) unless otherwise specified in the contract for service.

The customer shall be responsible for installing, operating, and maintaining the following equipment:

All wiring, interruptible loads, control apparatus, and other electrical equipment on the load side of the delivery point unless otherwise specified in the contract for service.

6. Interruption of service shall be performed by the Cooperative on a “last on / first off” basis such that the last customer to sign up for service is the first to be interrupted.
7. The availability of energy under this service is dependent on the amount of hydro power available and other loads of the Cooperative at any given time. The Cooperative makes no guaranties that any power will be available for this service.
8. This Interruptible Service will be available and at the stated rate for an initial period of three years from its effective date. At that time, the Cooperative reserves the right to eliminate the service in its entirety or reduce the number of customers participating. Any rate change at that time will take into account the change in the price of fuel oil during the previous three years.