

The CIRCUIT

Ark Valley Electric Cooperative



*** Proudly Serving Rural Kansas for Over 84 Years

August 2023

Holiday Office Closing



Our office will be closed on Monday, September 4th, in observance of Labor Day. If you experience an outage please call 888-297-9212.

Drawing Winner

MILLIE SCHROCK is the winner of our \$25.00 readership drawing.

Millie, to claim your prize, please contact Ark Valley by August 31, 2023 & give us the account number from your electric bill.

Ark Valley Customer Notification

Pursuant to K.S.A. 66-104d

The Ark Valley Electric Cooperative's Board of Trustees is giving notification to all members that a rate hearing will be held on August 28, 2023 at 6:00 p.m. at the Cooperative's headquarters at 10 East 10th Street, South Hutchinson, KS. The meeting will be open to all Ark Valley members.

The Board will review and could vote to adjust rates, joint rates, tolls, charges and exactions, classifications, and schedules of rates of the Cooperative.

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Revenue Neutral Rate Proposal

The Ark Valley Electric Board of Trustees will be considering a rate proposal to alter its rate structure to more accurately reflect the cost of serving its members. The proposed changes are designed to leave Ark Valley Electric's total revenue unchanged. However, the study showed that the single phase rate is being subsidized by the other rates, so an increase of 3% is warranted, while other rates will see a decrease.

A portion of the cooperative's costs are the same for all customers. The cooperative has made similar investments in poles, wires, transformers and meters for all customers and incurs similar costs for billing and consumer accounting, whether they use 50 kwh per month or 1,000 kwh per month. The customer charge is designed to recover those costs that do not vary with the amount of energy used. Increasing the fixed charges closer to the actual costs helps to more accurately track the cost of providing electric service.

The proposal includes a recommendation to increase the monthly basic service charge by \$10 for the single phase, water source heat pump, and three phase rates. These increases may seem larger than you would expect, but these increases are still well below what the actual costs are. Also, a basic service charge of \$100 will now be billed to the large power, industrial load management and large industrial load management rates where there wasn't one previously. You may be wondering how an increase in the basic service charge can keep the revenue unchanged. In order for that to happen, the increase in the customer charge is offset with changes to other rate components.

In addition to the changes with the monthly charge for the three phase and large power rates, the per kilowatt hour charge will decrease to a rate that is consistent year round. There will also be a change to the demand component that will include a summer peak demand charge for the months June through September from 3:00 p.m. to 6:00 p.m. (excluding weekends and holidays). This rate structure will now let members in these rate classes have more control over their bill by managing energy usage during the peak period.

For the single phase and water source heat pump rate the energy charge will be reduced to \$.07775 and \$.07140 per kilowatt hour year round, respectively, with exception of the summer peak period. Demand charges will be \$3.00 year round for the highest measured demand during each billing period. There will no longer be a peak demand charge for the summer peak period, but instead, the energy charge for the three hour peak period will be \$.34252 for single phase and \$.31822 for water source heat pump rate. The kilowatt hour rate is significantly higher during the peak period in order to more closely reflect the actual costs for the Cooperative during that time frame. By limiting electric usage during the peak period, members can control their costs.

All of the proposed rate changes are shown in the table provided in this newsletter. There are no proposed changes for the irrigation rate.

Although the effect of the rate changes being considered would not change the revenue for the Cooperative, you can rest assured your Cooperative has not entered into this matter lightly. It took diligence on the part of your elected trustees, and through this process they have kept the members' best interest at heart. These proposed changes will be addressed by the Board of Trustees at the open meeting to be held August 28, 2023.

See Proposed Rate Changes on Page 2



Ark Valley Electric Cooperative
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Board Meeting Highlights

Ark Valley Customer Notification

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The Board of Trustees for the Ark Valley Electric Cooperative Association held its regular meeting for the month of June on June 26, 2023.

Ark Valley, and several other rural electrical cooperatives, had been in the process of contesting its property tax evaluations. The property tax evaluations from 2019 and 2020 were being appealed to the Shawnee County District Court in Topeka from a ruling by the Board of Tax Appeals. The trial court found that the Kansas Department of Revenue, Property Tax Division's tax evaluation method to assess property values for rural electric cooperatives was not substantiated by the evidence and ruled in favor of Ark Valley and the other cooperatives. The state has 30 days to appeal the verdict.

Jackie Holmberg, General Manager, presented a report on the Cooperative's strategic planning progress. The Board reviewed the Board's planning goals for the Cooperative and what steps had been taken to implement those goals. The goals of completing a cost-of-service study and educating members on solar generation and electric vehicles had been completed. Studying whether to construct a member-owned solar farm had been delayed pending the completion of solar generation facilities for the Cooperative's peak demand. Developing a succession plan for temporary or unforeseen absences was still in progress. Lastly, the safety program goal of protecting linemen and education members would be perpetual and always evolving to reduce the risk of loss or harm.

If the Board was to vote to adjust rates, joint rates, tolls, charges and exactions, classifications, or schedules of rates, and certain statutory conditions are met, members may have the right, under K.S.A. 66-104d(g), to request the Kansas Corporation Commission review the rate changes. If you have questions about the process or this notice, require accommodations for the meeting, or would like additional information about Ark Valley's existing rates, please feel free to contact the Cooperative's staff by either stopping by the Cooperative's headquarters at 10 E 10th Ave, South Hutchinson, KS, or calling 620-662-6661.

Proposed Rate Changes

	Single Phase		Water Source HP	
	Present	Proposed	Present	Proposed
Basic Service Charge	\$ 40.00	\$ 50.00	\$ 40.00	\$ 50.00
Energy Charge	\$ 0.10902		\$ 0.09902	
On Peak (Jun - Sep, 3:01 PM - 6:00 PM)*		\$ 0.34252		\$ 0.31822
Off Peak (6:01 PM - 3:00 PM & Oct - May)		\$ 0.07775		\$ 0.07140
Demand Charge				
Peak Demand Charge (Jun - Sep, 3:00 to 6:00)	\$ 3.00		\$ 3.00	
Demand Charge (Oct - May)	\$ 1.00		\$ 1.00	
Demand Charge (monthly)		\$3.00		\$3.00

	Three Phase		Large Power	
	Present	Proposed	Present	Proposed
Basic Service Charge	\$ 50.00	\$ 60.00		\$ 100.00
Energy Charge		\$ 0.07845	\$ 0.06950	\$ 0.04784
Summer	\$ 0.10633			
Winter	\$ 0.09833			
Demand Charge	\$ 3.50		\$ 15.00	
Peak Demand Charge (Jun - Sep, 3:00 to 6:00)*		\$ 11.00		\$ 20.00
Other Demand Charge (Oct - May)		\$ 6.00		\$ 15.00
Minimum Demand Charge			\$ 600.00	\$ 600.00

	Indust. Load Mgmt.		Lg. Indust. Load Mgmt.	
	Present	Proposed	Present	Proposed
Basic Service Charge		\$ 100.00		\$ 100.00
Energy Charge	\$ 0.05700	\$ 0.04373	\$ 0.05050	\$ 0.04693
Demand Charge				
Non-Coincident Peak	\$ 6.00	\$ 6.00	\$ 5.00	\$ 5.00
On Peak (Oct - May) (ratchet)	\$ 10.50	\$ 10.50	\$ 10.40	\$ 10.40
On Peak (Jun - Sep)	\$ 10.50	\$ 10.50	\$ 10.40	\$ 10.40
Minimum Demand Charge	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00	\$ 3,000.00

* Excludes weekends, Independence Day and Labor Day.
The Energy Cost Adjustment will still apply to all rates.

The Ark Valley Electric Cooperative Association, Inc. is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.