

# The CIRCUIT

## Ark Valley Electric Cooperative



\*\*\* Proudly Serving Rural Kansas for Over 84 Years

October 2023



### Drawing Winner

**CHAD MURPHY** is the winner of our \$25.00 readership drawing.

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

### Daylight Savings Time Ends

Don't forget to turn your clocks back an hour.

Daylight savings time ends at 2 a.m. on Sunday, November 5th.



## Rate Changes Approved

Ark Valley is a member-owned not-for-profit electric cooperative, and that is why we work to control costs while supplying affordable electricity to our members who depend on us to provide reliable electric service. Our wholesale power supply prices fluctuate based on off-peak and on-peak times when lesser or greater amounts of power are consumed, so the cooperative's objective is to charge members in the most equitable way possible for those costs.

The cost-of-service study performed by an independent rate consultant showed that an imbalance exists between billing components and the different rate classes. The rate adjustments will reduce the subsidization that the energy sales are contributing towards the costs associated with the demand and basic service charge to more equitably balance rates charged among various rate classes. While these rate changes will not provide more revenue to the cooperative, they will result in bill decreases for some members and increases for others.

The new rate design will give members a clearer idea of what it costs to provide electric service and how changes in the cost of energy affect them. The co-op's main objective of this rate change is to ensure all members pay the appropriate share for the benefits of being connected to Ark Valley's electric system regardless of their individual energy choices and usage patterns.

These changes will allow the co-op to recover more of its fixed costs through the monthly basic service charge while decreasing the energy charge. The fixed charge is intended to cover costs to make power available to your home or service location before any electricity is sold.

The energy charge will be reduced significantly year-round with the exception of the summer peak period. The time of use rate, where the cost per kWh varies based on when electricity is used, will be utilized in the summer months to encourage members to shift as much electric usage as possible to times away from the peak hours of 3:00 p.m. to 6:00 p.m. This structure will continue to allow members to take control of your energy consumption to maximize savings on your electric bills if you minimize electric use during the peak period when the energy charge will be substantially higher.

*Continued on Page 2*

## Cooperative Month Drawing & Give-a-Way

October is Co-op Month and to show our appreciation for our members, Ark Valley Electric is holding a drawing for a Mini Electric Chainsaw during the month of October.



To be eligible, complete this registration form and mail it with your bill or bring it into the office. The drawing will take place at 8:00 am on November 1st,

so please have your registration form in before then. Also, throughout the month of October, we will be distributing an Ark Valley Therm-O Super Tote to each member that comes into the office.



### 2023 AVEC MEMBER APPRECIATION DRAWING

Name

Address

City

Phone



Ark Valley Electric Cooperative  
10 E 10th Ave, South Hutchinson, KS 67505

(620) 662-6661  
www.arkvalley.com

# Rate Changes Approved

## Board Meeting Highlights

Continued from Page 1

Members will receive the benefit of paying a much lower energy rate for 97% of the year, but the reduction is offset some by the increase in the basic service charge and the change in the rate structure for demand charges. Demand will now be billed based on the highest recorded demand each month at a consistent rate each month.

As a not-for-profit member-owned electric cooperative, Ark Valley returns all of the margins to its members so there's no incentive to collect more revenue than necessary. Ark Valley is committed to providing the best possible service to our members and at the least cost needed to provide that service. The rate changes shown in the table were approved at the August rate hearing and will be implemented beginning October 1, 2023.

If you want to know more about your usage in order to manage it, keep in mind that Ark Valley offers resources that help members take control of their energy bills. The SmartHub app allows members to track their usage daily as well as provides an easy way to pay. There is information available at [arkvalley.com](http://arkvalley.com) about how to access the app, as well as other convenient payment options and rebates offered.

The Board of Trustees for the Ark Valley Electric Cooperative Association held its regular meeting for the month of August on August 28, 2023 immediately following the scheduled rate hearing.

The Board considered the award amounts for the Youth Scholarship recipients. Last year, the first-place winner received a \$3,000 scholarship, the runner-up received a \$750 scholarship, and the 2nd runner-up received a \$500 scholarship. For 2024, the Trustees decided the runner-up award would be increased to a \$1,000 scholarship.

The Board reviewed the July performance of the Cooperative's distributed generation units at the Arlington and Medora substations, the Cooperative's irrigation load control system, and Huntsville solar farm production. By utilizing a one (1) mega-watt diesel generator at the Arlington substation and another one (1) mega-watt diesel generator at the Medora substation, the Cooperative saved nearly \$32,000.00 for July by using the generators to lower peak demand costs. However, once the fuel and other operating costs are considered, the net savings of the diesel generators amounted to approximately \$19,000.

The solar farm at Huntsville produced an approximate \$13,900.00 July savings for Ark Valley members. The irrigation load control saved members an estimated \$67,840. The total savings from all sources of distributed generation and from the irrigation load control equaled \$100,933.53 for the month of July, which was approximately \$3,000.00 more than last year. The potential savings Ark Valley will realize during the winter is estimated to be \$638,143.74 for the peak set in July.

### RATE CHANGES EFFECTIVE OCTOBER 1, 2023

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

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

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

\* Excludes weekends, Independence Day and Labor Day.

The Energy Cost Adjustment will still apply to all rates.

## Celebrating Our Members

October is National Co-op Month, and we are joining cooperatives across the U.S. to celebrate. Electric co-ops, including Ark Valley, were formed many years ago to fulfill a local purpose for their members. We've come a long way since then, but our priority is still the same: to provide affordable, reliable energy. Because your satisfaction is at the top of our goals, we will continue to evolve to meet your needs as they change.

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](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](mailto:program.intake@usda.gov).