PARK SPARKS

JULY 2023

ENERGY SAVING WATER USAGE

Many people who live in rural areas depend on a well for their water needs and nearly all wells are powered by electricity. Higher than normal power bills in the summer months can be the result of watering outdoor lawns, fields and gardens. Here are some ways to rethink watering to reduce energy and water usage.

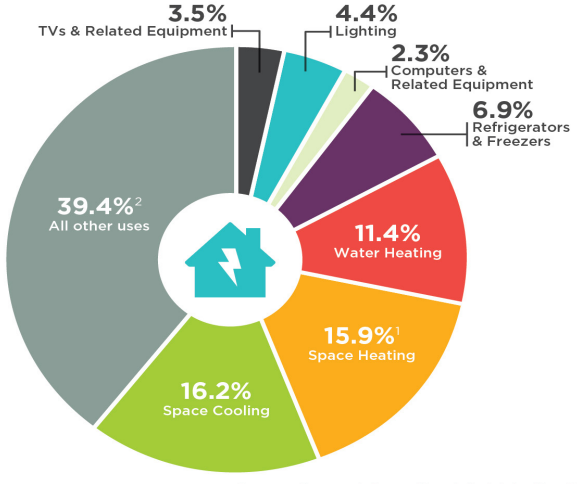
- Most grasses and plants don't need water every day unless they are newly installed. Infrequent deep watering such as every other day or every three days, helps promote strong root growth and more drought tolerant plants. The time of day you water your plants can matter too. Watering in the middle of the afternoon causes most of the water to evaporate before it is able to soak into the ground. Another way to save water is by leaving your grass a little longer when you mow. This promotes shaded roots and less evaporation from the ground.
- Think about the way your plants are watered. Are you using an overhead sprinkler for all your needs? This type of sprinkling is not very efficient for shrubs, trees and gardens, whose roots need the water more than the tops. Installing a drip irrigation system, whether it be with a soaker hose or with direct to plant hoses can be done by you or a professional.
- If you don't need a whole yard irrigation system, purchasing a simple hose end timer from your local hardware store is a great investment. Setting the timer for days of the week and length of time takes the hassle out of watering, as well as ensuring that less water is wasted by overdoing it.
- Check with your local nursery or extension office for more tips on how to properly care for your plants and ways to save water doing so.

MONTANA HOUSE BILL 320 added highway maintenance and utility service vehicles to Montana's "Move over Law". Under MCA 61-8-346 drivers must vacate the lane closest to the emergency vehicle and reduce their speed. The MCA was originally put into law to protect law enforcement and EMT's. Please use caution when approaching our linemen working along the roadways.

The Park Electric office will be closed Tuesday, July 4th for the holiday. Happy 4th!

How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.



Source: Energy Information Administration 2022

[1]Includes consumption for heat and operating furnace fans and boiler pumps.

[2]Includes miscellaneous electronics, clothes washers and dryers, cooking equipment, dishwashers, heating elements, and motors.

Managers Comments
by Matt Haggerty

In last month's article, we mentioned that our last rate increase happened in 2012. Each month, I will be covering factors that may contribute to a possible rate increase in the future. I will be continuing the three-part series this month with a discussion about increases in power supply costs.

POWER SUPPLY COSTS

Park Electric purchases wholesale power from Central Montana Power Electric Coop or CMEPC. In January 2019, CMEPC implemented a revenue-neutral rate change. Included in this rate change, CMEPC slightly lowered our wholesale power (kWh) charge and implemented a demand (Kw) charge, also known as a demand fee. CMEPC needed to make this change because they had increasing demand costs from their generation and transmission sources. With this rate change, if Park Electric purchased the same amount of power each year, we would not see an increase in our overall power costs. However, if our load consumption grew, we would end up paying more of the demand fee component of the rate, thus increasing our power supply costs. If our consumption decreased, we would pay less for our power needs. Essentially, the demand rate raises our costs to serve each member if we are growing and goes down if we are decreasing in size.

Park Electric continues to grow by 110-200 new services each year. Just since 2019, we have installed 558 new meters. Weather can also play a role in demand charges. Mild weather means lower demand fees while extreme cold or heat increases the demand fees. Both of these factors have increased the demand fees we have had to pay over the last four and a half years. For example, we paid the following demand fees over the past four years: 2019 - $421,720; 2020 - $412,460; 2021 - $505,610; 2022 $810,080. As you can see, this change has increased our cost of operating. Each year, Park Electric has made adjustments to try and absorb these costs. This has greatly reduced our margins and lowered our capital credit allocations that we pay back to members in future years.

Additionally, in January of 2023, we had another rate increase from our wholesale power supplier. This rate change was caused by an increase in generation and transmission costs from their supplier. To put the impact of the rate increase in perspective, let's look at our yearly sales of wholesale power to residential, irrigation, small commercial, and large commercial accounts. In 2019 we sold 96,854,443 kWh of power. In 2022 we sold 109,324,351 kWh and the average household usage on Park Electric lines is approximately 1,134 kWh per month. Between the growth we have seen in the past few years and the changing weather patterns, we have seen an increase in sales over the past three years. Since the wholesale kWh fee increased in January of 2023 and we are forecasting a similar trajectory in sales over the next few years, we do expect to see our wholesale power costs continue to rise.

When you look at the rising costs of power production paired with increased demand and consumption, you can see the impact on the bottom line of the coops financial statement. For this reason, our power supply costs play an important role in the factors that may contribute to a rate increase in the future.