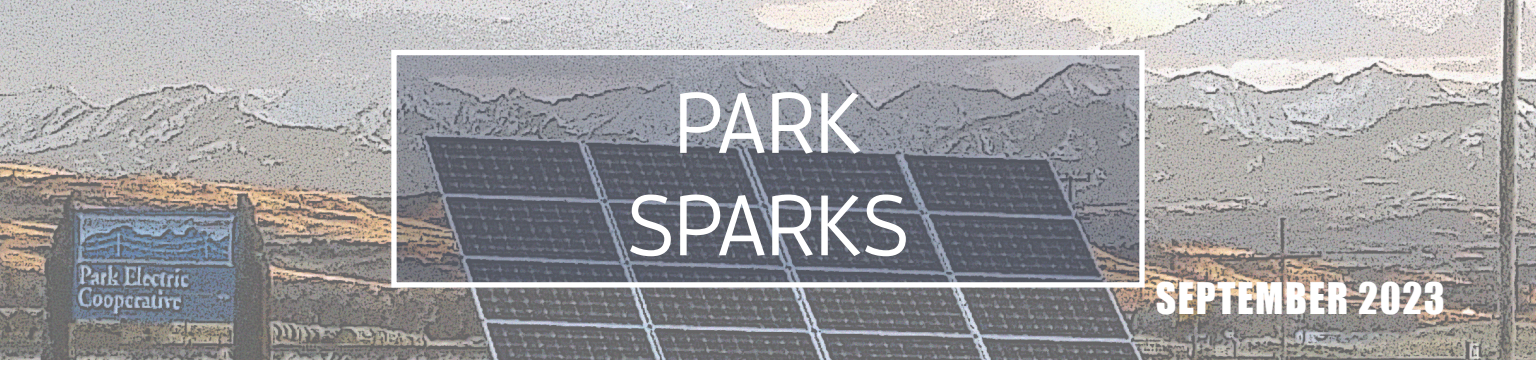


RATE CHANGE

Managers Comments by Matt Haggerty

Today I am notifying you of a rate change that will begin on January 1st, 2024. This will be our first rate change since 2012. As many of you have read in my previous three Parks Sparks articles, we reviewed the three main drivers for a rate change. These are: 1. Our wholesale power supply rates have risen 2. Inflation of material, tools, and equipment costs 3. Growth and replacement of our electric system infrastructure. These factors have combined to create financial challenges for the cooperative that we can no longer absorb.

Just as a reminder, Park Electric Cooperative is a not-for-profit organization that is member owned. Part of what being a member of a cooperative means is, instead of trying to earn a profit, we only charge slightly above our cost to operate. At the end of the year, any profit left above our cost to operate is turned into capital credits which are then allocated back to our members. What this means for you as a member is you simply pay what it costs for the coop to operate, instead of the cost to operate plus a profit for shareholders. Now that the cost of our bills has risen, we must raise our electric rates to cover the cost of our bills.

About 5 years ago, we added a demand line to your power bill, measured in kW. This shows your peak demand each month. While there is currently no charge associated with it, providing this information is a valuable tool to help our members track and possibly lower their peak demand. (Please look at the example bill below). I encourage you to look at your power bill when you receive it and check out the line for peak demand.

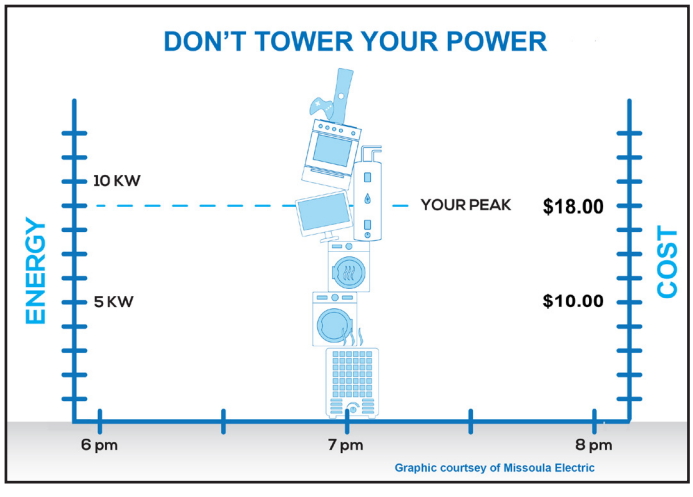
What is demand? Demand is the highest amount of electricity used during a period of time. A helpful analogy I like to use when comparing demand (kW) and electrical usage (kWh), is to compare them to a car's speed speedometer (kW) and the odometer (kWh). Demand is measured like a car's speedometer, the faster you drive the higher the speed you see. When relating this to your electric bill, the more power you're using at any one point in time, the higher your demand reading will be. Your electrical usage is like your car's odometer, which simply tracks how many miles you drove, not how fast you drove them. When relating this to your bill, the kWh charge is simply the amount of electricity used during a billing cycle and the kW charge is how much electricity you used all at once.

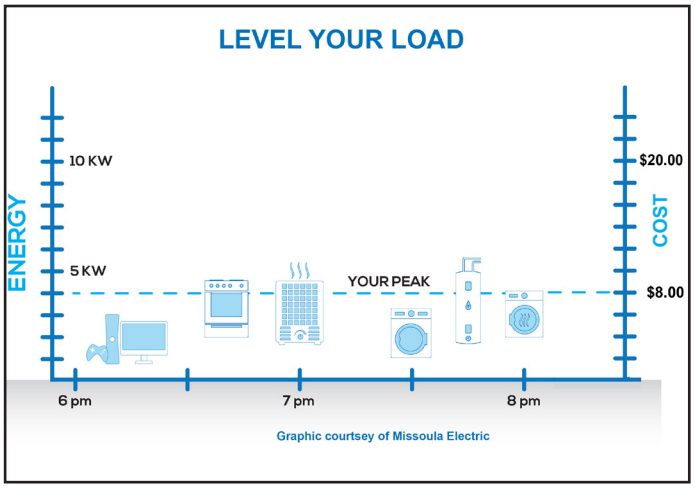
Managers Comments continued on next page...

Service	From Date	To Date	Meter Number	Previous Reading	Present Reading	Mult	Usage	Unit	$ Amount
Energy	05/31/23	06/30/23	1000xxxx	34924	35860	1	936	kWh	$80.50
	936 kWh X $0.0860000 = $80.50								
Demand							6.00	kW	$12.00
Base Charge									$23.00
ACH Credit									-$1.50
	Total Current Balance								$114.00
	Previous Amount Due								$112.57
	Thank you for your payment 06/15/23								-$112.57
	Total Amount Due								**$114.00**

Managers Comments continued...

On January 1st of 2024, we will be adding a fee for demand of $2.00 per kW on the rate classes listed below. The average household on our system uses 6 kW per month, which would mean our average member will see a $12 per month increase in their bill. The rate has been structured this way to put the power of saving into your hands. With this rate addition, you have the option to change your usage patterns, which in turn will save you money.
The following times: 6-9 am and 5-8:30 pm are generally the peak demand times for Park Electric. While some demand usage is impossible to avoid, such as appliances like refrigerators and freezers, that will run all the time regardless of the time of day, other loads that use large amounts of power may be able to be controlled. For these loads, such as washers, heaters, and water usage, we encourage you to "level your load". Leveling your load simply means not running all of your appliances at the same time. (Please see the attached diagram of leveling your load.) If you choose to make changes by, for example, doing laundry and other chores that require significant amounts of electricity outside of peak hours, such as mid-day, later in the evening, or on weekends, you will spread out your usage peaks which will lower your demand costs.





Here are some ways you can lower your demand:

- During peak hours, we encourage you to "level your load," and spread out the use of major appliances rather than running them at the same time. Peak hours for most homes are from 6-9 am and also from 5-8:30 pm Monday through Friday.
- Do laundry and other chores that require significant amounts of electricity outside peak hours, such as mid-day, later in the evening, or on weekends. Consider using the delay start feature on your washer, dishwasher, or a timer for other appliances to run outside peak times.
- Purchase a programmable or smart thermostat to reduce heating and air conditioning use during peak hours.
- Take advantage of our rebate program to upgrade older appliances to ones that have a delay start feature and use less electricity. We also offer rebates for smart and programmable thermostats!
- Invest in a timer for your electric hot water heater so it heats the water before you use it. Insulating the tank and pipes can help reduce the amount of time the unit will need to run as well.
- In the summer, run your lawn irrigation very early in the morning or late in the evening. Not only does this reduce electrical usage, but it also reduces water loss by evaporation during daylight hours

THE FOLLOWING CHART REFLECTS THE RATES CHANGE ON JANUARY 1ST 2024. THE CHANGES FROM OUR CURRENT RATES ARE IN RED.

RESIDENTIAL RATE FOR SERVICES UNDER 400 AMPS IN SIZE:

Base Rate*	$ 23.00 per month
Demand fee	$ 2.00 per kW per month
0-1500 kWh	$ .086 kWh per month
All over 1500	$ .059 kWh per month
Heat Rate	$ .054 kWh per month

LARGE RESIDENTIAL RATE FOR SERVICES 400 AMPS AND HIGHER:

Base Rate*	$ 28.00 per month
Demand fee	$ 2.00 per kW per month
0-1500 kWh	$ .086 kWh per month
All over 1500	$ .059 kWh per month
Heat Rate	$ .054 kWh per month

NET METER RATE:

Base Rate 1*	$ 32.00 per month
320 amp services or less	
Base Rate 2*	$ 63.00 per month
400 amp services or greater	
Demand fee	$ 2.00 per kW per month
0-1500 kWh	$ .086 kWh per month
All over 1500	$ .059 kWh per month

INCOME ELIGIBLE SENIOR RATE:

Base Rate*	$ 16.00 per month
Demand fee	$ 2.00 per kW per month
0-1500 kWh	$ .074 kWh per month
All over 1500	$ .059 kWh per month

THREE PHASE, SMALL COMMERCIAL RATES:

Single Phase:

Base Rate	$28.00	per month
Demand fee	$2.00	per kW per month
0-3000 KWH	$.09	kWh per month
All KWH over 3000	$.06	kWh per month

Three Phase:

Base Rate	$35.00	per month
Demand fee	$ 2.00	per kW per month
0-3000 KWH	$.09	kWh per month
All KWH over 3000	$.06	kWh per month

IRRIGATION RATES: No change at this time. This is due to a policy that states no capital credits are paid on irrigation accounts unless they contribute to margins.

Annual Base Rate	$ 19.00	per horsepower per season
First 500 KWH/Billing H.P. per season	$ .068	per kWh
All over	$ .053	per kWh per season

What is demand, and why are we charging for it?

- Demand is the highest amount of electricity used during a period of time. Members will have a daily peak, generally in the morning or evening between 6-9am and 5-8:30 pm. This is when the majority of members peak during the same time period, which creates a peak on PEC's electric distribution system.
- Because electricity must be generated the moment it is needed, serving peaks can require resources that are more expensive since they are harder to plan for, and require a larger infrastructure to accommodate them.
- A demand fee has always been embedded in our whole sale power rate; we have chosen to separate part of its cost out to put the power of saving into the members hands.

How much will this rate increase effect the average household?

- On PEC lines the average household has a peak demand each month of 6 kW. 6 kW X $2.00 per kW= $12.00 per month. This number can vary based on your usage patterns and weather.

Why is the rate change necessary?

- Our power supply costs have increased
- Inflation has increased the cost of supplies by 30%-100%
- Replacement and installation costs of infrastructure have increased.

OFFICE CLOSED MONDAY, SEPT 4TH FOR THE HOLIDAY.

LEAVE SPACE

To safely work in padmounted transformers, our crews need 10 ft. of space from the opening of the cabinet.

Energy Efficiency
Tip of the Month

Did you know fall is the perfect time to schedule a tune-up for your heating system? Home heating accounts for a large portion of winter energy bills, and no matter what kind of system you have, you can save energy and money by regularly maintaining your equipment.

Combining proper equipment maintenance and upgrades with recommended insulation, air sealing and thermostat settings can save about 30% on your energy bills.

Source: Dept. of Energy

Save the date! Park Electric Annual Meeting Friday, October 20th, 2023

This year, Park Electric is pleased to announce that the meeting will be held in person at noon at the Park County Fairgrounds.

We encourage all our members to come to the meeting and hear about the future of the Coop, have lunch, register for scholarships, win door prizes and more! We look forward to seeing you in October.

Park Electric Board of Trustees

District 1 - Alan Johnstone 406-220-2186
District 2 - Dan Skattum 406-223-0545
District 3 - Craig Yost 406-222-3008
District 4 - Matt Jesson 406-939-2306
District 5 - Bert Otis 406-333-4802
District 6 - Melanie Roe 406-932-4366
District 7 - Perry Anderson 406-537-4546
General Manager - Matt Haggerty 406-222-3100

Connect with Park Electric

Billing and general information: 406-222-3100
Outage and project information: 406-222-7778

Online: www.parkelectric.coop
Email: info@parkelectric.coop

Office hours: 8-5 Monday - Friday

Location: 5706 US Hwy 89 S
Livingston, Montana

Park Electric Cooperative Inc.
Touchstone Energy® Cooperatives
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