



## Recent Operation Round Up® Grants

The Kootenai Electric Trust Board recently awarded quarterly Operation Round Up® grants. The Trust Board received eight grant requests and awarded nearly \$9,000 to the following applicants:

- \$2,500 to Cup of Grace Ministries, a Spirit Lake non-profit serving those in need, to help purchase a trailer to provide access to food, clothing and other social services.
- \$2,500 to the Salvation Army Ray and Joan Kroc Corps Community Center to purchase iPads for a STEM and coding program for their after-school youth program. [1582045]
- \$2,400 to Spirit Lake Seniors to purchase new tables to help serve meals each week at the center.
- \$1,500 to the Panhandle Symphony Orchestra to help cover the cost of a free concert.

The next grant applications are due October 26, 2018. Members who would like to contribute to Operation Round Up®, or who have been and desire to change their election, may simply “opt-in” or “opt-out” on their bill or contact KEC by phone, letter or email. [1811221]

## KEC Upgrading Scarcello Substation

KEC is upgrading its Scarcello substation in Rathdrum. This work began in the spring and is expected to be completed later this fall. The upgrade to the 30-year-old substation is necessary to improve reliability to the area. The new transformer has almost double the capacity of the original transformer, which will allow us to back feed other substations and prepare for future growth in the area. [1817906]

Photo at right: The new substation transformer (on the left) weighs more than 80,000 pounds and was delivered by truck and moved using a crane to its new place in the substation. The original transformer is on the right.





# Annual Rate Adjustment

In 2016, KEC's Board of Directors adopted a plan to gradually increase the Service Availability Charge (SAC) of our residential and general service

rates until they equaled the "fixed cost" of providing service to these members. As part of that plan, the cost of energy would also be gradually decreased to ensure the total revenues produced from those rates remained unchanged. These adjustments occur in October of each year, with this year marking the third of five planned steps. The adjusted rates are shown in the table below:

2018 Annual Rate Adjustment		
Rate Class	Service Availability Charge	Energy Charge
Residential	\$29.25	\$0.07103
General Service	\$33.40	\$0.05500

We occasionally receive questions from members about the Service Availability Charge. It's important to us that members understand why we have it. Consider this: ensuring our members receive reliable and dependable power requires rights-of-way to be maintained, poles and power lines to be serviced and equipment to be repaired following an outage. The Cooperative incurs these costs regardless of the amount of energy a member uses. These are fixed costs.

Other costs, like purchasing or producing power, are dependent on how much energy a member uses. Most residential members live in their homes all year and use an average of 1,150 kilowatt-hours (kWh) per month. Some members own seasonal homes that are occupied for only a few months of the year and use far less energy over the year. As an electric cooperative, we must keep our rates fair and not discriminate between the two. By setting our Service Availability Charge equal to the fixed costs of providing services, our energy rates do not have to make up the difference. If this weren't the case, those who live in their homes year around would end up paying more than their fair share of fixed costs through a higher than necessary energy charge. [1814392]

This is also an important consideration for those members who would like to produce their own power from resources like wind turbines or solar panels. Members who choose to do so should be paid a fair rate for the power they produce but should pay enough to cover the fixed costs associated with the electric system they rely on when not producing power. The SAC accomplishes this. The fixed cost of providing service is \$39 per month (see details on the next page about what goes into this cost). Over the next three years, KEC's SAC will gradually increase to that amount. As this occurs, the cost of energy will be gradually decreased by a comparable amount.

## How Your Bill Will Be Affected?

Residential members using about 1,200 kWh per month will see no change in their bills. Those using less than this amount will see a modest increase while those using more energy should see a modest decrease. A member who uses no energy in the month will see the largest increase. Their bill would increase by \$3.25 to \$29.25. KEC operates on a non-profit basis and offers its members some of the lowest rates in the nation. This is part of our commitment to providing exceptional service to our members and contributing to the community we serve. Visit [www.kec.com](http://www.kec.com) for additional information, to review rate schedules or to use our rate calculator to see how your bill will be affected. You may also contact us at 208.765.1200 with any questions.

## Power Cost Adjustment

Separately, the cost of power we purchase on behalf of our members from the Bonneville Power Administration has increased. This increase is in large part due to increases in fish and wildlife costs. This change will be paid by members through an increase in the power cost adjustment of \$0.0003 per kWh purchased. This adjustment will result in an increase of 30¢ for a member using 1,000 kWh.



# The Cost Before You Turn on the Lights



**Home A**  
3,000 kWh  
per month



**Home B**  
25 kWh  
per month



KEC's fixed costs =  
\$39 per month



The fixed cost of providing service to each of these homes is \$39 per month. These fixed costs are incurred as the Cooperative purchases all of the items below (and more) on behalf of each member. [1793002]

ITEM	COST	# ON KEC'S SYSTEM	SYSTEM COSTS
 POLES	\$1,800	24,000	\$43,200,000
 MILES OF UNDERGROUND WIRE	\$29,621	1,000	\$29,621,000
 MILES OF OVERHEAD WIRE	\$10,560	1,000	\$10,560,000
 PADMOUNT TRANSFORMERS	\$2,463	7,521	\$18,524,223
 OVERHEAD TRANSFORMERS	\$2,105	5,500	\$11,577,500
 SUBSTATIONS	\$3,500,000	8	\$28,000,000
 METERS	\$350	25,000	\$8,750,000
 OIL CIRCUIT RECLOSERS	\$5,613	250	\$1,403,250
 LARGE BUCKET TRUCKS	\$300,000	4	\$1,200,000
 POWER REGULATORS	\$19,500	43	\$838,500

# KEC Community Solar Project Update



There is still time to purchase a unit in KEC's Community Solar

Project. The 50KW solar array is located in Worley and members may purchase individual units for \$475. Each unit represents a portion of the energy produced by the solar array. The solar array is divided into 288 units and each unit is expected to generate approximately

234 kilowatt-hours (kWh) per year.

KEC takes care of all the costs including maintenance and insurance. Members purchase units that represent ownership in a portion of the energy produced by the solar array for the 25-year expected life of the system. The energy production generated by the system each month is divided into 288 units and members will receive

a kWh credit on their bills according to the number of units they own.

If you move, you may keep your unit(s) as long as you stay within KEC's service territory. If you move outside of the service territory, you may transfer the unit(s) to another active KEC member or KEC will buy back the unit(s) at a pro-rated price. **To sign up contact us at 208.765.1200 or [kec@kec.com](mailto:kec@kec.com).**

## NEWS BRIEFS

### NOMINATING COMMITTEE SEEKS CANDIDATES

The KEC Nominating Committee is looking for members interested in serving on the Board of Directors. Candidates must meet the qualifications outlined in KEC's Bylaws, be able to invest a minimum of 60 days per year on board-related activities and be able to periodically attend conferences and director training. Directors should also have strong business acumen and a broad understanding of regional and national energy issues. There will be two positions up for election in 2019:

- **District 1:** The portion of our system north of the Rathdrum Highway (Highway 53). This position is currently served by Tim Meyer.
- **District at-Large:** Encompasses the entire KEC service area. This position is currently served by Roger Tinkey.

If you would like to be considered, please contact Erika Neff at [eneff@kec.com](mailto:eneff@kec.com) or 208.765.1200. Applications and bylaws are also available online at [www.kec.com](http://www.kec.com). Applications and petition nominations are due November 30, 2018.

### NOVEMBER OFFICE HOURS

The KEC office will be closed November 12 for Veteran's Day and November 22-23 for the Thanksgiving holiday. [1705891]

### KEC ENERGY EFFICIENCY REBATE CHANGES

KEC rebates will be changing next year. If you were planning to take advantage of one of our rebates, now is the time to make your purchase. The new rebates will be effective January 1, 2019 and posted online at [www.kec.com](http://www.kec.com). For more information call 208.765.1200.

### KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary— call Constance Felten at 208.292.3211 for details.

### WIN A \$50 ENERGY CREDIT

Six KEC account numbers are hidden in this newsletter. If you find your number contact us at 208.765.1200 and receive a \$50 credit on your bill.

