

Rate Restructure – ADVANCED TALKING POINTS/FAQS

In an effort to ensure that Grand Valley Power can continue to provide quality electric service to its consumers while maintaining financial viability, the organization's Board of Directors commissioned a Cost-of-Service Study this past summer. The purpose of the study was to determine how much revenue is needed to operate the business, and how that revenue should be recovered from ratepayers. The study, which was conducted by a third-party consultant, determined that a rate increase was necessary to meet rising costs. It also produced recommendations to help design rates that are fair and equitable for all Grand Valley Power consumers. The needs for the change were due to several factors including:

- Rebalancing of rates to ensure fair and equitable costs among all classes.
- Clean energy compliance causing higher power costs.
- Increased operating costs, including materials, transportation, and labor costs.
- Modernization of our rate structure is necessary to meet evolving member needs.

Grand Valley Power is committed to delivering reliable, affordable power. Team members strive to minimize the impact of any necessary price increases. Our last rate increase was in 2011 – over a decade ago. The board approved an average increase for all rate classes of about 7.85% in December 2021.

Key Message 1: Grand Valley Power is committed to delivering reliable power and providing exceptional customer service at the lowest possible cost.

- The Cost-of-Service Study conducted determined that a rate increase was necessary to meet rising costs.
- The rate restructure was necessary to more closely align costs incurred by each rate class and each member.
- Team members strive to minimize the impact of any necessary price increases.
- GVP's last rate increase was in 2011 – over a decade ago.

Key Message 2: Moving our members to a modern rate structure will allow them to have greater flexibility and options to manage their energy.

TOU members:

- Members who shift their energy use to lower priced (off-peak) hours will maximize their savings.
- A typical residential home using 850 kilowatt-hours will see an increase of approximately \$8.44.

Demand members:

- Members who stagger their equipment or appliances will maximize their energy savings.
- The board approved an average increase for all rate classes of about 7.85%.

Key Message 3: The rate change is effective with March energy use and will first appear on bills issued in April.

- Personal letters were addressed to all members with notice of the rate restructure and custom based on their effective rate change.
- Official notice of tariff changes was posted in the GJ Daily Sentinel on Saturday, January 29 and Wednesday, February 2, 2022.

Key Message 4: Grand Valley Power is dedicated to help you by providing resources, programs and information that fit your lifestyle and allow you to take control of your energy costs.

- GVP has dedicated online resources at gvp.org/TOU or gvp.org/Demand.
- The Colorado Country Life February edition has a special 4-page publication about TOU and more information regarding the restructure.

What Members Can Expect:

- The restructured rates will be effective for energy consumed in March 2022 and will first appear on consumer bills issued in April 2022.
- A typical residential (GS-TOU) member bill using 850 kilowatt-hours, will see a cost increase of \$8.44 per month.
- Member bills will be updated to reflect on-peak and off-peak energy use or demand, depending on their rate class.
- Further communications and educational opportunities will be shared in the coming months.

Transfer members to Derek, Tom W. or Christmas if you feel it's beyond your knowledge or you cannot address their needs. Joe and Matt are also very knowledgeable about the Cost-of-Service Study and Demand rate, respectively.

Requests for letter detailing the rate restructure for them or other documents:

- Send call/email to Christmas – determine if the member prefers this by email or mail or both

Net-Metered (DG) consumers or Large Power:

- Send call/email to Derek or Matt Williams

Requests for Cost-of-Service Study or other documents:

- Board minutes: <https://www.gvp.org/board-meetings-and-agendas>
- COSS Executive Summary: <https://www.gvp.org/TOU-FAQ>
 - (Under + More About Determining Rates – second dropdown)
- Send call/email to Derek or Tom W. if further conversation ensues and they want additional answers.

THINGS TO KEEP IN MIND DURING CONVERSATION

- Take our member's tone seriously, but not personally. Remain in control of the conversation.
- Default to positive words such as “yes”, “absolutely”, “certainly” and “definitely”.
- Avoid using words and phrases such as “let me be clear”, “for your information” and “you are wrong”. This tends to make people feel stupid and can often be seen as aggressive.
- Stick to facts, and do not speculate on issues.
- Send all media inquiries to Christmas Wharton or Derek Elder.

Dedicated Resources online include:

- NEW: Rates Page: <https://gvp.org/rates>
- NEW: Time-of-Use Page: <https://gvp.org/TOU>
- NEW: TOU FAQ: <https://gvp.org/TOU-FAQ>
- NEW: Demand Page: <https://gvp.org/Demand>
- NEW: Energy Calculators: <https://gvp.org/energy-calculators>
 - (Looking at adding Demand and custom calculator with acct number and historical use of on-peak versus off-peak - I'll let you know progress on this).
- NEW: E-Bill : <https://gvp.org/paperless>
- NEW: Budget Billing: <https://gvp.org/budget-billing>
- REVISED: Start, Stop or Transfer Service: <https://gvp.org/service>
- REVISED: Ways to Pay: <https://gvp.org/ways-pay>
- REVISED: Energy Assistance: <https://gvp.org/energy-assistance>

- REVISED: Renewable Energy Programs: <https://www.gvp.org/RenewableEnergyPrograms>
 - (Moved under Energy Solutions)
- REVISED: Home Energy Adventure: <https://adventure.touchstoneenergy.com>
 - (Moved under Energy Solutions)

Billing Programs and Special Rate Processes

POWERMYWAY PREPAY PROCESS:

All prepay members will be transitioned automatically to Time-of-Use rate effective with March 2022 energy consumed.

- Per normal, Prepay account balances update daily, depending on the amount of kilowatt-hours (kWh) used.
- Low balance notices are sent based on your preferences.
 - The system defaults to a seven-day low balance notice, based on your usage.

BUDGET BILLING PROCESS:

All budget bill members are directed to call or discuss effects of the rate restructure. This also happens on a half-year mark where analysis is done to determine if mid-year, an increase is recommended to adjust for energy use or if the member rather wait until the true-up month occurs and may have an increased amount due at that time.

Process:

1. Adjust budget bill to allocate new total costs across 11 months. (With 12-month as true-up.)
2. Estimated amount can be found within On-Peak, Off-Peak tool.
 - a. Remember to divide total budget billing costs (column AI) by 11 (11-months).

Net-Metered Accounts:

Information about affect with DG system:

GVP will continue to honor the GEN-1 tariff with the only difference being that instead of one bank of kWh you will now notice that you will have two banks of kWh. The meter will continue to account for consumption and production just like it always has with the expectation that it will track two banks of kWh according to the on-peak and off-peak periods. The on-peak register will track the net result of your production and consumption from 4:00 pm to 9:00 pm each day throughout the month. The off-peak register will track the net result of your production and consumption from 9:00 pm through the day to 4:00 pm the following day. At the end of the month, you will notice two banks of kWh that will be tracked separately from month to month. Grand Valley Power will continue to honor its GEN-1 tariff by settling up the banks during the month of April each year.

Example Bill below (final bill may appear differently):

Account Number	Cycle	Service Location		Rate Description		Billing Date	Due By Date
1234458953	2	1234 Electric Lane		General Service — Time-of-Use		04/20/2022	05/11/2022

Meter	Reading Dates		Meter Readings		Multiplier	Energy kWh	Demand kW
	Begin	End	Begin	End			
12345678	04/16/22	05/16/22	2888	2988	1	100	0.000

Current Electric Charges		Calculations		Amount	Statement of Account	Amount
Grid Connectivity				30.00	Total Current Charges	48.35
Energy Usage Off-Peak		0 kWh	x 0.0895		Prior Balance	42.30
Energy Usage On-Peak (4-9PM daily)		100 kWh	x 0.1825	18.25	Payment(s)	-42.30
Power Cost Adjustment		100 kWh	x 0.001	.10	Total Balance Due	48.35
Total Electric Charges				48.35	Banked Off-Peak kWh After Billing:	200
					Banked On-Peak kWh After Billing:	0

What is going to happen to any banked kWh that I may have after the settle-up in April?

Grand Valley Power's settle-up process for banked kWh includes provisions that if you have fewer than 4,000 kWh banked, the entire bank shall carry forward or if you have 4,000 or more kWh banked, GVP will buy down your bank to 1,000 kWh. We will still carry forward any remaining banked kWh to the month of May but since time-of-use rates will have an on-peak period and an off-peak bank of kWh, GVP will allocate those remaining banked kWh at a ratio of 90:10 for off-peak and on-peak banked kWh to begin the month of May.

The 90:10 ratio was determined using the NREL PVWatts Calculator for the Grand Junction area. When we looked at the hour-by-hour production from a solar system over the course of one year, the data shows that 93.44% of the production takes place during the off-peak period and 6.56% takes place during the on-peak period for a south-facing system. This calculation is based solely on production from your system and does not take into account any consumption that you may have during those periods.

The meter will record the actual net result of each month's production and consumption going forward. Therefore, this is a one-time adjustment of any carry-over banked kWh. As we continue to operate in a fair and equitable manner, if you feel that your distributed generation system is generating more than 10% of its production during the hours of 4:00 pm and 9:00 pm, please contact us to discuss your system.

Net-Metered (DG) questions that you are unable to answer:

- Send call/email to Derek

On-Peak, Off-Peak Tool

This tool is specifically for looking up residential accounts moving to TOU (current FH-1, FH-2, NRG) and allows for you to effectively speak through personalized household expected costs or percentage of on-peak and off-peak periods of use.

Members who would benefit from this information could include:

- those asking for exact proposed rate increase information,
- those asking for what their personal on-peak and off-peak use is,
- those inquiring about budget billing adjustments/impacts,
- or percentage increased specific to them.

How to access:

1. Open View Only folder, navigate to Rate Restructure folder: [On-Peak, Off-Peak Tool](#)
2. Open document and search by account number.

Suggestion while talking with a member:

Accounts with 26% or greater in on-peak use (red colored; column F) have opportunity to shift or reduce energy use for savings.

- note all members have an opportunity to save – but folks with over 26% or greater are prime targets for shifting and reducing possible loads.

Basic TOU tips:

- Start or program your dishwasher, washing machine or clothes dryer to run and finish before 4 p.m. or start after 9 p.m.
- Wash full loads of laundry whenever possible and switch your temperature setting from hot to warm to cut energy use in half for a single load. Using the cold cycle can reduce energy use even more. About 90% of the energy consumed for washing clothes is used to heat the water.
- Try to avoid using multiple appliances like your dishwasher, air conditioner and washer and dryer at the same time between 4 p.m. and 9 p.m., when rates are highest.
- If you need to use your air conditioner during peak hours, try setting your thermostat a few degrees higher between 4 p.m. and 9 p.m. You can save 3 to 5% on your cooling costs for each degree you raise the temperature on your thermostat.
- Keep your kitchen cool and make meals that don't require your oven. Use your grill or small appliances to cook food. Small appliances like microwaves, toaster ovens and pressure cookers, use about 66% less energy than a conventional oven.
- Heat tape for livestock
- Gaming systems are fun but also use a lot of energy. Give your system a rest from 4 to 9 p.m. Activate power saving settings and turn off controllers when not in use. Learn more at energystar.gov.