

Rate Restructure – Board Talking Points

Overview of messaging:

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. 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.

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. GVP's focus is on providing our members with sustainable, reliable, competitively priced electric service in the future. This increase covers only what is necessary, while protecting each member's investment in the Cooperative.

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 Time-Of-Use rate, will allow them to have greater flexibility and options to manage their energy.

- 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.
- The new rates include an overall increase of 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.

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/MyEnergy.
- The Colorado Country Life February edition has a special 4-page publication and more information regarding the restructure.

The goal is to provide you with some basic information to have a short discussion with any member who might approach you. If your conversation lasts (1) over a couple of minutes or (2) has gone beyond what you feel comfortable or can answer, please do the following:

- 1) Suggest the member visit our website at gvp.org/TOU or call the office for further discussion.
- 2) Tell them to call our office to speak further with a member services representative.