

Rate Restructure – Employee Talking Points

Background of Rate Restructure:

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.

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.

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 visiting our website at gvp.org/TOU or gvp.org/Demand or call the office for a member services representative.
- 2) Ask for the members name, phone number or contact information. Let them know that a manager will call them within two business days to respond to any further questions. Please send us this information via email or by calling Derek, Christmas or Tom.

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