

Xcel Fuel Cost Adjustment Pass Through – Employee Talking Points

Overview of messaging:

Grand Valley Power purchases power through Xcel Energy, our wholesale power supplier. The contract is cost-based. Historically, this kind of contract has proven an effective way to ensure reliable, affordable electricity for GVP consumers.

The winter storm that blanketed the central United States with record cold temperatures in mid-February triggered a tightening of the market for natural gas that Xcel relies on to generate much of its electricity. The price of natural gas shot up to unprecedented high levels, often hundreds of times greater than normal. Xcel will pay these costs and pass them along to its customers. Xcel calculates that GVP's share is \$2.37 million. This will almost triple GVP's power costs for the month of February.

Key Message 1: An extreme winter storm occurred from February 13-16, which increased demand for electricity and gas to provide energy to homes and caused a price spike.

Key Message 2: On March 1, 2021, Xcel Energy gave us a bill of an additional \$2.37 million in fuel cost charges, due to the extreme weather that impacted the system.

Key Message 3: We recognize that this will impose a significant hardship on our consumers; we are spreading this charge over the next twelve months.

Key Message 4: Grand Valley Power has no choice but to pay this bill; however, we are challenging this fuel cost adjustment charge.

What Members Can Expect:

- First, Grand Valley Power will calculate the amount of the consumer's share of the February FCA for each member account, based on kilowatt-hour consumption.
- We will divide that amount by 12 to determine a monthly "Xcel FCA Pass Through" amount that will be included as a line item on each bill for the next 12 months.
 - A typical residential member bill using 800 kilowatt-hours, will see a cost increase of \$7.81 per month, for the next twelve months.
 - The "Xcel FCA Pass Through" will appear on the members bill as a separate line item, until paid in full. **We will work with any member on making alternative payment arrangements, if necessary.**

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 to visit our **website at gvp.org/FCA** or call the office for further discussion.
- 2) Ask for the members name, phone number or contact information. Let them know that a manager will call them within one business day to respond to any further questions. Please send us this information via email or by calling Derek, Christmas or Tom.

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