



## WREA Restructures Residential, Commercial & Irrigation Rates Frequently Asked Questions

### WREA Rate Restructure - Frequently Asked Questions

#### **What Impact does the Rate Restructure Have on Residential Members?**

The WREA rate restructure will increase the monthly WREA Service Charge and decrease the kWh energy charge. **This will result in an approximate net \$5.00 per month increase for the average WREA Residential member (750 kWh per month).** The WREA monthly service charge for Residential members will increase from \$5 to \$15 per month. The kWh energy charge will decrease from \$0.12015/kWh to \$0.113/kWh. WREA staff can help calculate the estimated impact for your specific service.

#### **What Impact does the Rate Restructure Have on Small Commercial Rates?**

WREA divided the Small Commercial rate class into Small Commercial Single-Phase and Small Commercial Three-Phase. Members will be placed in the rate class that corresponds to the electric infrastructure that serves their particular meter. Small Commercial Single-Phase Service Charge will increase from \$5 to \$15 per month and Small Commercial Three-Phase will increase from \$10 to \$20 per month. The energy charge for Small Commercial classes will decrease to \$0.113/kWh. WREA staff can help calculate the estimated impact for your specific service.

#### **What Impact does the Rate Restructure Have on Irrigation Rates?**

The Irrigation Rate has also been divided into two rate classes. The Irrigation Single-Phase Service Charge will increase from \$10 to \$15 per month and the Irrigation Three-Phase Service Charge will increase from \$10 to \$20 per month. The energy charge for both Irrigation classes will decrease to \$0.113/kWh. WREA staff can help calculate the estimated impact for your specific service.

#### **The LC (Large Commercial) Rate Class has been eliminated. If I have an existing meter in the LC Rate Class, what will my new rate class be?**

The Large Commercial Rate class has been eliminated and those meters will be placed in the Small Commercial Three-Phase rate class.

### What are WREA's new Connection Fees?

WREA has also changed its Connection Fees. Effective January 1, 2018, WREA's Service Connect and Reconnect fees will increase from \$10 to \$25 for remote Connect/Reconnect and \$10 to \$30 for on-site Connect/Reconnect. In addition, if a service is disconnected and resumed within the same twelve months, Members will be required to pay the monthly Service Charge for the disconnected months. For example, if a Member requests to disconnect their service in January, and then requests to reconnect the same service in June, they will be billed the applicable Reconnect Fee (\$25/\$30), and will be required to pay the applicable Service Charge for the five months of disconnected service (January through May).

### What are WREA's New Delinquent Collection Charges?

WREA also revised the fees associated with Delinquent Accounts. The fees associated with the delivery of the Notice of Disconnect and the delivery of the Final Notice of Termination increased from \$25 to \$30. All other Delinquent Collection Charges remained the same.

<b>Delinquent Collection Charges:</b>	<b>Previous Fee</b>	<b>Fees Effective January 1, 2018</b>
1. Notice of Disconnect:	\$25.00	\$30.00
2. Final Notice of Termination	\$25.00	\$30.00
3. Service Disconnect for Non-Payment*	\$50.00*	\$50.00*
4. Service Reconnect for Non-Payment*	\$50.00*	\$50.00*
5. After Hours Reconnect for Non-Payment*	\$150.00*	\$150.00* <i>*no change</i>

### Why is WREA Restructuring its Rates?

The electric industry has changed a lot over the years. It was time for WREA to reassess its rate structure to ensure that it continues to equitably recoup its costs. This assessment resulted in an increase in the WREA Service Charge and a decrease in the per kWh energy charge. The complexities of rate analysis can be simplified into two basic categories; fixed and variable costs. The WREA Service Charge is the fixed cost paid every month per meter which includes infrastructure, service and operations. WREA's fixed costs exist regardless of a member's actual electric use. The energy charge is the Variable Charge which fluctuates depending on how much electricity is used.

WREA's analysis indicated it was time to increase the amount it recovers from its Fixed Costs and decrease the Variable Cost which is the per kWh charge. Based upon historical consumer data, the average residential member's increase will be about \$5.00 per month. Some Members may see less of an overall impact due to their total electric usage.

### When was the last time WREA raised the Service Charge?

WREA's Service Charge has been \$5.00 per month for over twenty years.

### How does WREA Residential rates compare with other Colorado electric cooperatives?

The average Residential Service Charge for Colorado electric cooperatives is \$25.00. The average Residential energy rate for Colorado electric cooperatives is \$0.114/kWh.

### When will the rate restructure go into effect?

WREA's new rate structure will go into effect January 1, 2018. Members will see the new rates on their January 2018 electric bill which will arrive in the mail the first week of February.

Please do not hesitate to call WREA at 970-878-5041 with additional questions.