BLUESTEM ELECTRIC COOPERATIVE, INC.

A Touchstone Energy® Cooperative

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Bluestem NEWS

Rate Study Complete

In the December 2023 issue of *Bluestem News*, we announced Bluestem would conduct a rate study to evaluate the cooperative's costs of providing electric service and rates charged for this service. The purpose of this study was to:

- Calculate the overall revenue needed to operate the cooperative successfully in the future.
- Identify the portion each rate class is responsible for in the calculated revenue requirement (i.e., residential, commercial, irrigation, etc.).
- Design rates so that revenue is adequately and fairly collected and meets the goals identified by the board.

The study, performed by Power System Engineering, Inc. an outside independent rate consultant, is complete.

The study showed that overall electric rate revenues should be increased by approximately $1.5 million, or about 8.7%. The last general rate adjustment was in January 2017. Inflation has impacted all of us. The utility industry is experiencing inflation on items necessary to deliver safe and reliable power to our members' homes. Following are some examples:

- **TRANSFORMERS** (15 kVA-single phase service) in 2017 cost $623 and now cost $1,920 — an increase of 208% over seven years (29.7% annually).
- **WIRE** (No. 2 ACSR) in 2017 cost $1.93 per foot and now cost $3.22 per foot — an increase of 67% over seven years (9.5% annually).
- **POLES** (35 foot) in 2017 cost $215 and now cost $465 — an increase of 116% over seven years (16.6% annually).

The study also showed rate structures need adjusted to better track the cost of providing electric service.

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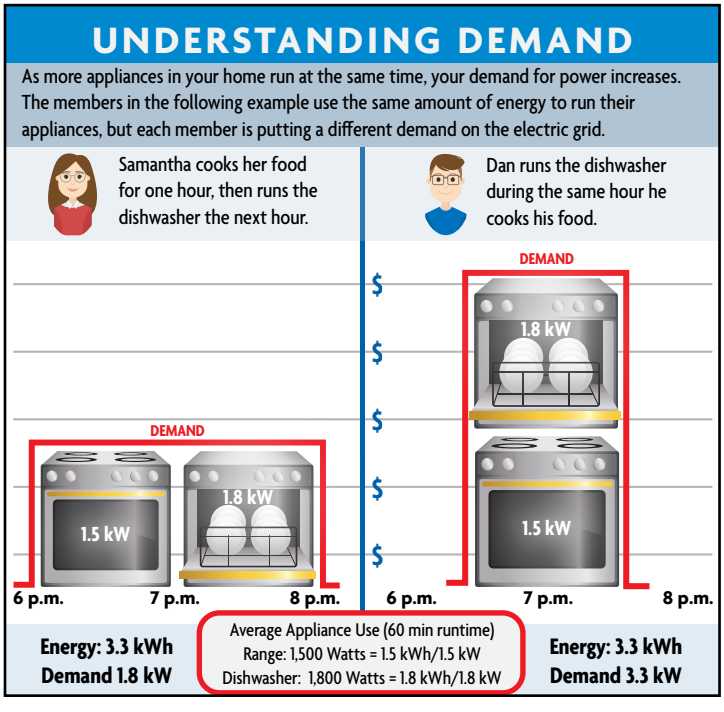
UNDERSTANDING DEMAND

As more appliances in your home run at the same time, your demand for power increases. The members in the following example use the same amount of energy to run their appliances, but each member is putting a different demand on the electric grid.



Rate Study Complete

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Rate structure refers to the billing charges that recover fixed and variable charges.

At the Bluestem Electric 2024 Annual Meeting we outlined the plan to implement a three-part rate (Customer Charge, Energy Charge, Demand Charge) instead of the current two-part rate (Customer Charge, Energy Charge). The change to the three-part rate will create a more equitable rate for all members. It will also better reflect how BEC is billed by our power supplier.

With this change, how and when you use power will be more important than ever! The new rate designs will tie costs to electrical use, so members are treated fairly.

The proposal recommends increasing the monthly Customer Charge and implementing a Demand Charge. As a result, members will notice a decrease in the Energy Charge or price per kilowatt hour. A portion of the cooperative's costs are the same for all members in similar rate classes whether a member is a high energy user or low energy user. The cooperative has made similar investments in poles, wire, transformers and meters for all customers and incurs similar cost for reading meters, billing and consumer accounting. Increasing the fixed charges closer to the actual cost helps to minimize the amount of increase on the energy charges and more accurately tracks the cost of providing electric service.

The Demand Charge is something each member can control. Demand is the rate of energy used at any given point in time and is measured by the highest rate at which a member uses electricity during a 60-minute period and is billed accordingly. The demand charge will be billed on the highest demand registered during the billing period.

Each member's monthly demand has been and currently is printed on their billing statement, as well as the date and time it was incurred. We encourage members to review past bills, monitor current bills and understand what impacts your demand each month.

Kansas law requires BEC to provide members with notice of the time and location of any meeting of the board of trustees where rate changes will be discussed and voted on. Meeting notices will include details about proposed changes. Members may attend the special board meeting, listen to the discussion and vote of the board, as well as ask questions on the rate changes. Meeting notices will be printed in the *Kansas Country Living Bluestem News* pages.

MEMBER CLASS			CURRENT EFFECTIVE RATE	CHANGE	PROPOSED RATE
SINGLE PHASE SERVICE	STANDARD	Annual Revenue	$13,977,532	$1,333,690	$15,311,221
		Customer Charge $/mo.	$36.00	$14.00	$50.00
		NCP Demand Charge $/kW		$4.50	$4.50
		Energy Charge $/kWh			
	ELECTRIC HEAT	Winter (Oct.-May)			$0.10820
		First 750 kWh	$0.13400	($0.02580)	$0.10820
		Next 750 kWh	$0.13150	($0.02330)	$0.10820
		Next 1,500 kWh	$0.12900	($0.02080)	$0.10820
		Over 3,000 kWh	$0.12650	($0.01830)	$0.10820
		Summer (June-Sept.)	$0.14150	($0.02330)	$0.11820
	HEAT PUMP	Winter (Oct.-May)			$0.10000
		First 750 kWh	$0.13400	($0.03400)	$0.10000
		Next 750 kWh	$0.12650	($0.02650)	$0.10000
		Over 1,500 kWh	$0.11570	($0.01570)	$0.10000
		Summer (June-Sept.)	$0.14150	($0.03150)	$0.11000
	TOU	Winter (Oct.-May)			$0.09000
		First 600 kWh/ton	$0.10550	($0.01550)	$0.09000
		Excess kWh	$0.12650	($0.03650)	$0.09000
		Summer (June-Sept.)	$0.13150	($0.03150)	$0.10000
		Winter (Oct.-May)	$0.11750	($0.03850)	$0.07900
		Summer (June-Sept.)			
		Peak (3-6 p.m.)	$0.30000	$0.10000	$0.40000
		Off-Peak (6-3 p.m.)	$0.11750	($0.03850)	$0.07900
CATHODIC PROTECTION OF PIPELINES		Annual Revenue	$81,445	$8,160	$89,605
		Customer Charge $/mo.	$8.00	$42.00	$50.00
		Demand Charge $/kW	$14.00	$0.00	$14.00
		Energy Charge $/kWh	$0.10819	($0.07319)	$0.03500
THREE PHASE SERVICE	STANDARD	Annual Revenue	$492,977	$9,991	$502,968
		Customer Charge $/mo.	$48.00	$22.00	$70.00
		NCP Demand Charge $/kW		$4.50	$4.50
		Energy Charge $/kWh			
		Winter (Oct.-May)			$0.09650
		First 2,000 kWh	$0.13561	($0.03911)	$0.09650
		Next 3,000 kWh	$0.13311	($0.03661)	$0.09650
		Over 5,000 kWh	$0.13061	($0.03411)	$0.09650
		Summer (June-Sept.)	$0.14311	($0.03661)	$0.10650
	TOU	Winter (Oct.-May)	$0.11311	($0.04551)	$0.06760
		Summer (June-Sept.)			
		Peak (3-6 p.m.)	$0.75000	$0.00000	$0.75000
		Off-Peak (6-3 p.m.)	$0.11311	($0.04551)	$0.06760
GENERAL SERVICE DEMAND		Annual Revenue	$282,882	$3,660	$286,542
		Customer Charge $/mo.	$48.00	$22.00	$70.00
		Demand Charge $/kW	$14.00	$6.00	$20.00
		Energy Charge $/kWh	$0.09177	($0.01177)	$0.08000
		Load Management Demand Credit $/kW	($14.00)	$0.00	($14.00)
		Load Management Energy Credit $/kWh	($0.00800)	($0.00400)	($0.01200)

For more information on the proposed rate change, please contact the cooperative office at 800-558-1580.

MEMBER CLASS			CURRENT EFFECTIVE RATE	CHANGE	PROPOSED RATE
IRRIGATION SERVICE	STANDARD	Annual Revenue	445,866	$78,730	524,596
		Customer Charge $/mo.	$36.00	$14.00	$50.00
		Horsepower Charge $/HP	$35.00	$0.00	$35.00
		Energy Charge $/kWh Summer (June-Sept.)	$0.13972	($0.02472)	$0.11500
		Winter (Oct.-May)	$0.13222	($0.02472)	$0.10750
	LOAD MGMT	Load Management Credit $/HP	($20.00)	$5.00	($15.00)
		Energy Charge $/kWh	$0.07088	$0.00000	$0.07088
LARGE POWER SERVICE	STANDARD	Annual Revenue	$1,913,004	$17,045	$1,930,049
		Customer Charge $/mo.		$82.00	$82.00
		Demand Charge $/kW	$14.00	$6.00	$20.00
		Energy Charge $/kWh	$0.10247	($0.01567)	$0.08680
	TIME OF USE	CP Demand Charge $/kW			
		Summer	$15.40	$0.00	$15.40
		Winter	$11.15	$0.00	$11.15
		NCP Demand Charge $/kW	$4.50	$0.00	$4.50
		Energy Charge $/kWh	0.10247	$0.00000	0.10247
	LOAD MGMT	Demand Charge $/kW	$14.00	$6.00	$20.00
		Load Management Demand Credit $/kW	($14.00)	$0.00	($14.00)
		Energy Charge $/kWh	$0.10247	($0.01567)	$0.08680
		Load Management Energy Credit $/kWh	($0.00800)	$0.00000	($0.00800)
KG MOATS		Annual Revenue	$12,757	$2,439	$15,196
		Demand Charge $/kW	$10.00	$5.00	$15.00
		Energy Charge $/kWh	$0.07818	$0.00000	$0.07818
		Load Management Demand Credit $/kW	($10.00)	$0.00	($10.00)
		Load Management Energy Credit $/kWh	($0.00800)	$0.00000	($0.00800)
MAPCO		Annual Revenue	$361,124	$5,376	$366,500
		Wholesale Power Cost Plus			
		Customer Charge $/mo.		$18.75	$18.75
		Demand Charge Adder $/kW	$1.25	$0.35	$1.60
		Energy Charge Adder $/kWh	$0.00373	$0.00000	0.00373
NNG		Annual Revenue	$153,842	$0	$153,842
		NCP Demand Charge $/kW	$5.00	$0.00	$5.00
		CP Demand $/kW			
		June-Sept.	$15.40	$0.00	$15.40
		Oct.-May	$11.15	$0.00	$11.15
		Energy Charge $/kWh	$0.05453	$0.00000	$0.05453
HIGHWAY LIGHTING		Annual Revenue	$6,430	$0	$6,430
		Energy Charge $/kWh	$0.17216	$0.00000	$0.17216
OUTDOOR AREA LIGHTING		Annual Revenue	$149,208	$0	$149,208
		Small Lights $/mo	$11.15	$0.00	$11.15
		Large Lights $/mo	$20.77	$0.00	$20.77

Sign Up for Auto Pay on SmartHub

Save time and pay your monthly electric bill automatically by bank draft. No need to find a postage stamp or worry if your payment will reach us on time. Contact Bluestem Electric to request an application or you can find it online at www.bluestemelectric.com.

To sign up, you will need to provide the following information: your name, bank name, phone number, checking account number, routing number (ABA No.), bank address and Bluestem account number(s).

You can also pay your bill online at www.bluestemelectric.com using your bank account or credit card. Click on the SmartHub Pay Online button.

ENERGY EFFICIENCY Tip of the Month

Did you know ceiling fans can help you save energy? Ceiling fans create a windchill effect on your skin to make you feel a few degrees cooler. Raise the thermostat a few degrees and turn on fans to reduce air conditioning costs.

Set fan blades to rotate counterclockwise during summer months and clockwise during winter months. Remember, ceiling fans cool people but don't actually lower the indoor temperature. Turn them off when you leave the room.

SOURCE: WWW.ENERGYSTAR.GOV

Brady Brummett

EMPLOYEE SPOTLIGHT: BRADY BRUMMETT

Bluestem Electric Cooperative welcomes **BRADY BRUMMETT**. He started in October 2023 as a new apprentice lineman in Wamego.

Prior to joining Bluestem, Brummett completed his summer internship with Bluestem. He attended Cloud County Community college where he received his associate degree in general studies. He then graduated from Manhattan Area Technical College where he received his associate degree in the Electrical Power Technology program.

Brummett is a Kaw Valley Rodeo Association board member. In his free time, he enjoys hunting, golfing and spending time at the lake.

"I look forward to learning and growing in the electrical utility trade," he said.

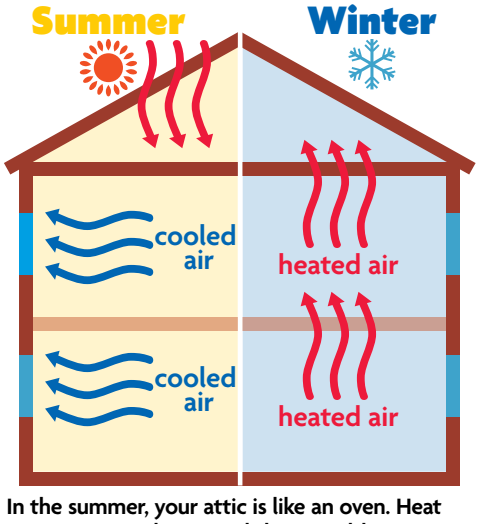
The Science of Attic Insulation

WHAT'S IN YOUR ATTIC?

The answer to this question could be costing you hundreds of dollars each year!

Bluestem Electric Cooperative is constantly striving to keep your energy costs down, however, the cost of generating the electricity supplied to your home has risen at historical rates over the past decade. What does this mean to you? Energy costs will be increasing.

According to Kansas Electric Power Cooperative, the cost to generate the electricity supplied to rural Kansas homeowners has gone up more than 40% in the last seven years. As energy costs go up, the recommended amount of insulation you should have in your attic goes up too. In roughly the same time period, the minimum amount of attic insulation required in a new home went up by 38.75%. A new home built in 2005 was required to have an R-30 of attic insulation (about 8 inches of cellulose insulation). Seven years later, Energy Star® changed recommendations to R-60 for that same home (16-18 inches of cellulose insulation). When energy costs go up, you need to add more insulation (and make air sealing improvements) to your attic.



In the summer, your attic is like an oven. Heat races into your home and shoves cold air out.

WHY IS THE ATTIC SO IMPORTANT FOR ENERGY EFFICIENCY?

We are entering some of the hottest months of the year and many homeowners will soon be experiencing seasonally high energy bills. Could your attic insulation be one of the **MAJOR** causes of your high energy bills? If you have an under-insulated attic with poor air sealing, the answer is certainly **YES!**

In the summer your attic can reach 180 degrees or more. This is like having an oven on top of your home. The law of thermodynamics states that heat is constantly moving toward cold to reach equilibrium. This means the extreme heat of the attic is seeking balance and trying (in any way it can) to get into your air-conditioned home. Behind your walls, your home has dozens of wire and plumbing penetrations between your living space and your attic. These holes can only be seen from the attic. These holes act like a freeway for all the heat in your attic to race into your home pushing the cold air (that you paid to cool) right out of the house.

Heat from your attic is also able to conduct right through the ceiling into your home. Conduction is the process of heat moving through a material. The purpose of insulation in the summer is to slow the conduction process of the heat moving from the "oven" in your attic into your air-conditioned home. If your attic is not insulated to the Energy Star standard, heat will push down through the ceiling of your home rapidly. If you could see the heat rushing into your home it would be like seeing a water faucet in your home constantly running with no off switch. What do you think this process is doing to your energy bills?

YOUR COOPERATIVE'S EFFORT TO HELP MEMBERS

Bluestem Electric Cooperative has been working with Attic Report Card so our members can know exactly how well their attics are insulated and air sealed. Members of Bluestem Electric Cooperative can get this 12-point attic inspection for FREE ($99 value). A member's Attic Report Card will clearly detail the current condition of their attic insulation and list the exact improvement steps it will take to bring the attic up to Energy Star standards. The Attic Report Card improvement team has completed hundreds of improvement projects for cooperative members (many of whom are saving 25% or more on their heating and cooling costs).

If you are curious about the condition of your attic and would like to know how much you can expect to save if you make improvements visit www.atticreportcard.com and click "Grade My Attic" to schedule your **FREE** attic inspection.