

• November 14, 2024 •



GENERAL MANAGER'S BOARD MEETING BULLETIN



Virginia Harman

Board approves 2025 budget

Rates will increase to meet revenue requirements – Low-income rate program established

The Board of Directors approved the MPE 2025 budget that includes a rate increase to take effect on Feb. 1, 2025, along with a new rate discount program for those who may be disproportionately impacted by any rate changes.

A cost-of-service study and proposed rate design were recently completed for our cooperative by industry experts at PSE, an independent organization that serves utilities across North America. The objective of the rate design was to ensure that rates are fair, equitable, and financially adequate, while reflecting cost causation, promoting efficient energy use, and remaining competitive with similar co-ops. The rate design also aimed to recover revenue to meet MPE's operational needs as a not-for-profit, member-owned cooperative.

MPE CFO/Manager of Finance Emily Meek reported to the Board that MPE is in a strong financial position leading into the power supply transition that begins on Feb. 1, 2025. Yet, as projected, temporary declines in MPE's financial ratios are anticipated moving forward. These declines are primarily attributed to the contract termination payment owed to Tri-State G&T as MPE exits that agreement. While MPE expected these declines and the related rate increases, the focus has been on the longer-term benefits to MPE membership, including rate stability.

The upcoming rate increase is only the second for MPE in 9 years. It will be divided between

the service availability and energy charges. The average residential electric bill will increase by approximately \$11.77 monthly. However, individual rate classes will be impacted differently. In aggregate, total rate increases amongst rate classes will result in an overall required 10.4% increase in revenue.

For residential members (General Service Small), the service availability fee will go from \$33.22 to \$38.32/month. MPE's fee will be comparable to the current 2024 fees of other Colorado co-ops with similar mountainous terrain, such as Yampa Valley Electric at \$45 and Gunnison County Power at \$38 (2025 fees not yet available). The kilowatt-hour charge will change in February from \$0.11737/kWh to \$0.12690/kWh.

The income-qualified financial assistance pilot program – BOOST (Benefiting Our Own in our Service Territory) – will also take effect on Feb. 1. MPE is partnering with Mountain Family Center, which provides services throughout Grand and Jackson counties, to qualify members who may be at or below 200% of the Federal Poverty Level. Eligible members will receive a 20% discount on their monthly bills. Eligible members who enroll in MPE's prepay program will get an additional 5% discount, for a total discount of 25% monthly. The pilot will run through June 2026. More information will be available soon at MPE and the Mountain Family Center.

Other Board Meeting Items

- The Board approved funding for five requests for donations from MPE's Unclaimed Capital Credits Fund, as follows:
 - **Moffat Road Railroad Museum – Dumont Depot Renovation and Remodel: \$20,000** – The historic 1902 Dumont Depot was relocated to Granby in October 2023; the goal is to use it for community events, a rotating exhibit space, and a ticket kiosk for the new family train ride they hope to be operating next summer.
 - **Gould Community Association – Painting the Community Center: \$7,000** – Last painted in 1999 or 2000, the Gould Community Center is in need of a new paint job; residents use the building for various events.

- **East/West Grand Middle School – 8th Grade Washington DC Trip: \$9,000** (up to \$15,000) – Between 70-80 students plus parent chaperons are taken to the Nation's Capital; families are responsible to pay for the trip.
- **North Park Preschool/School – LEGO Education STEM kits: \$5,093.75** – Funding to purchase LEGO® Education Early Learning STEAM kits for their preschool and kindergarten classrooms, along with professional development for implementation.
- **North Park Fire Rescue Authority – New Firehouse: \$8,836.91** – Assisting with the cost associated with new electrical services for a new firehouse in Walden.

See www.MPEI.com/COMMUNITY for all the ways MPE provides community support.