

**ROLLING HILLS
ELECTRIC COOPERATIVE**

NEWS

**ROLLING HILLS
ELECTRIC CO-OP, INC.**

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Jason Rabe
CEO/General Manager

CONTACT US

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785-534-1601 or 800-530-5572

LIKE US ON FACEBOOK

For outage updates,
energy efficiency tips and
cooperative news.

FROM THE CEO/GENERAL MANAGER

What is a Cost-of-Service/Rate Study? What is Demand?

As I have outlined over the last few articles, the electric utility industry has not been immune to the immense cost pressures that we have all experienced in our personal lives and businesses.

Cost of materials, trucks, tools, wholesale electricity, interest and employees have created a challenging environment. Thankfully, due to visionary moves over the last 20 years, Rolling Hills has done well to navigate these challenges the last few years despite our built-in challenges of low density and a rural membership.

Each year, we undergo a 10-year financial forecast process to help us predict future costs and revenues. This helps us strategically determine how we can lower costs and predict if and when rates need to be raised. Since 2020, which was our last rate adjustment, we have continued to find ways to stretch the current rate design, however, in order to prudently manage the cooperative and limit the

impact of rate increases (not creating large jumps) we have determined that later in 2025 we will need to adjust our rate structure.

An electric utility determines costs and the associated rate structures through a cost-of-service study (COSS). This eliminates the arbitrary or unfair practices that might come from a less robust process. A COSS for an electric utility is a detailed analysis that determines the costs associated with providing electric service to different customer classes (such as residential, commercial, irrigation and industrial). It allocates the utility's operating costs, including generation, transmission, distribution and administrative expenses, to various customer categories based on their usage patterns and demand



Jason Rabe

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Line Crew Summer Hours

Rolling Hills Electric Cooperative's line crews will begin working summer hours, 7 a.m.-3:30 p.m., on May 27 and will continue through Aug. 29. Each year during this period, the line department switches to summer hours in an effort to complete most of the day's work before the major heat of the day arrives. The office will retain normal business hours from 8 a.m.-5 p.m., Monday-Friday. If you have questions or need to report an outage, call 785-534-1601 or 800-530-5572.



CONGRATULATIONS SCHOLARSHIP WINNERS

LYNELLE GENGLER will travel to Cooperative Youth Leadership Camp (CYLC) near Steamboat Springs, Colorado, and also receive a \$1,000 scholarship.

CRUZ DONLEY will receive a \$750 scholarship and **RUTH JORDAN** will be awarded a \$500 scholarship. Congratulations to our scholarship winners!



Lynelle Gengler



Cruz Donley



Ruth Jordan

RATE INFORMATION MEETING FOR MEMBERS SAVE THE DATE



May 2, 9 a.m. Osborne Outpost, 313 E. Monroe, Osborne
May 9, 9 a.m. Ellsworth Outpost, 1466 Old 40, Ellsworth
May 21, 9 a.m. Belleville Outpost, 1679 Marble Road, Belleville
May 28, 9 a.m. Beloit Office, 3075B US Hwy 24, Beloit

Join us for light refreshments and learn about your cooperative's cost of service, rate study and rate design updates.



785-534-1601



member_services@rollinghills.coop



www.rollinghills.coop

What is a Cost-of-Service/Rate Study? What is Demand?

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contributions. The study helps establish fair and equitable rates that reflect the actual cost of serving each type of customer ensuring transparency and regulatory compliance.

However, a rate increase is not the only solution to keep our cooperative future stable. Rather we're implementing a new rate redesign that gives more power to our members to control their energy costs. This is where the concept of electricity demand comes into play.

Electricity demand is simply the highest amount of instantaneous electricity use during a period of time. A simple example is using your air conditioner, clothes dryer, and oven all at the same time — your demand for that period would be high when compared to spreading the use of your appliances across multiple time periods (see the graphic below). This higher demand has to be met regardless if it is only sporadic and this electricity is simply more expensive.

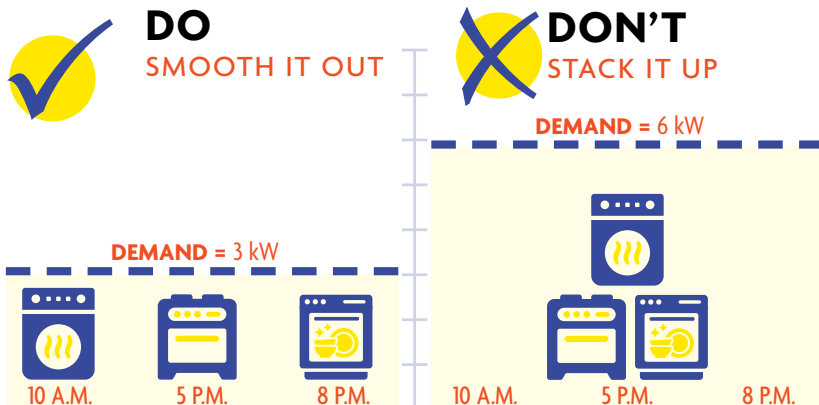
As rates stand today, a cooperative can recover costs from the customer charge (typically fixed costs), or they can recover costs through the

energy charge (price per kilowatt-hour). However, energy is billed to the cooperative much differently with a major component — electricity demand not fairly passed along to the member. This component has traditionally been wrapped into the energy charge — so whether you had a lower demand for electricity or a higher demand for electricity — you paid the same and had no ability to manage your electricity costs. As an electricity user you may naturally spread your electricity use throughout the day, however, you have been charged the same amount as someone who uses electricity all at once.

So, while no one likes a rate increase, instead of simply raising a customer charge or packing more into the price per kWh, we are giving you an option to help control your cost and the cost to the cooperative. In fact, in most cases the price per kWh will be lower in the new rate structure. Please visit our website and follow us on Facebook to learn more about the coming changes and plan to visit us at one of our upcoming member-rate information meetings during the month of May.

WHEN IN DOUBT, SMOOTH IT OUT

AVOID MULTITASKING: Using multiple appliances at the same time will increase your demand usage and thereby increase any potential demand charges on your monthly bill.



HAVE YOU HEARD ABOUT THE

RESIDENTIAL BUDGET PAYMENT PLAN

OPTIONS AT ROLLING HILLS ELECTRIC?



We offer a **VARIABLE** and a **FIXED BUDGET** option for the **RESIDENTIAL BUDGET PAYMENT PLAN**. Both plans are based on a 12-month average, and both plans still require the member to pay their bill on time each month. We feel both plans can be beneficial to our members should they choose to participate. The fixed option uses a set 12-month average and has a catch-up month that is due in May each year. The variable plan recalculates the 12-month average each month, with no catch-up month unless the member is removed from the plan or moves from our lines.

If you are interested in either of these options, please call the office during normal business hours of Monday-Friday, 8 a.m.-5 p.m. and we would be happy to determine which plan fits your needs best.

**CALL 800-530-5572 TO REVIEW
OPTIONS AND FIND THE PLAN
THAT FITS YOUR NEEDS TODAY!**



Co-ops Provide Mutual Aid, Restore Power

On March 19 Rolling Hills' service territory experienced upwards of 6,000 meters without power due to the damage of broken poles, downed lines, and power supplier issues following a severe storm. Power was restored to members thanks to the tireless work of Rolling Hills' crews and the efforts of other cooperatives through our mutual aid program, including: Ark Valley, Hutchinson; Bluestem, Wamego; DSO, Solomon; and Premier Power (contractor). We also want to express our thanks to the many local individuals who helped work through the severe damage to restore power as quickly as possible.

