Cooperative Demand Rates
State of Montana

Beartooth Electric Cooperative

SCHEDULE A – RESIDENTIAL & GENERAL SERVICE

A. Availability
Available to primary residences, farms, and small domestic services for year round uses subject to the established Rules and Regulations.

B. Type of Service:
Single or three phase service, 60 hertz, alternating current, at standard secondary voltages.

C. Monthly Rate:
1. Facility Charge
   $33.50 per month
2. Energy Charge
   $0.088768 per kWh

Sun River Electric Cooperative

Residential
Effective January 1, 2019
Type of Service
Single phase, 60 cycles, at available secondary voltage.

Availability
To all members whose accounts include a residence requiring single phase service for a period of more than six (6) months each year and at less than 50 KVA capacity and with an annual usage of at least 4000 kwh, subject to other rules and regulations of the cooperative. The total capacity of any single phase motor under this schedule shall not exceed 10 HP without written permission of the Cooperative.

This rate is not available for seasonal or stock well services.

Members requiring single phase service with capacities exceeding 50 KVA shall be served under the GS Rate Schedule.

Monthly Rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td></td>
<td>$31.00/month</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$5.00/kWh</td>
<td></td>
</tr>
<tr>
<td>Energy Charge</td>
<td>$0.06216/kWh</td>
<td></td>
</tr>
</tbody>
</table>

Minimum Charge
The minimum monthly charge shall be the higher of the following:
1. The cost for service as calculated by the rates specified.
2. $1.00 per KVA installed transformer capacity over 10 KVA for overhead and over 15 KVA for underground, plus the base rate.

- Sun River is served by Central Montana G&T which includes a demand charge for their wholesale power.
- Transitioned to final rate design over 5 years.
• Rate changes were revenue neutral
• 4000 kWhs per year requirement translates to 333 kWhs per month minimum
• Those accounts with usage below 4,000 kWh’s (stockwells, seasonal homes) per year are billed $34 per plus a kWh charge that is 1 cent more than the residential rate. They are able to pay the facility charge monthly or in a lump sum. Each way they get a true up bill for energy and demand charges for the past year.
• Minimum Bill: $1 per transformer KVA over 10/15 KVA plus Base Rate $1.00 per KVA installed transformer capacity over 10 KVA for overhead and over 15 KVA for underground, plus the base rate.

*Flathead Electric Cooperative*

**Residential Rates (PDF) – effective June 1, 2019**  
(all residential services, see rate schedule for criteria)

- Basic Charge (single-phase service): $23.71/mo.
- Basic Charge (three-phase service): $36.28/mo.
- Energy Charge:
  - $0.0650/kWh (for first 600 kWh/mo.)
  - $0.0784/kWh (for 601-3,500 kWh/mo.)
  - $0.1130/kWh (for 3,501 and over kWh/mo.)
- Demand Charge: $0.26/kW during peak hours
  - Peak hours occur Monday through Friday from 7 to 10 a.m. and 5 to 8 p.m. There are no demand charges on weekends or major federal holidays including New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. In the event that the holiday occurs on Sunday, there are no demand charges on the following Monday.

**FEC** is a BPA customer.  
FEC’s demand rate is designed to offset their contract demand quantity (CDQ) from BPA which is based on the marginal cost of a gas-fired simple cycle gas turbine; i.e. approximately $10 per KW. Their studies found that weekdays only, 7-10am and 5-8pm, which is the basis for their time of day demand rate design, would hit 85-90% of their system demand peaks that BPA bills them on. These heavy load hours are almost always the highest price hours from both a capacity and energy basis. The 3 part rate sends a price signal to members to reduce usage during the defined high load hours.

They are escalating their demand rate on a very systematic, stepped-in basis over the course of 10-15 years until they get to the true COSA demand rate ($0.26/kW today versus $3.89/kW COSA). Their intention is to also the lower energy rate on a corresponding basis as they currently have an inclining block energy rate with three tiers. They admit the current third tier is overpriced and needs adjustment, but it will be a slow implementation - they call it gradualism. Ultimately, it is their intention to get to a lower priced two tier inclining block residential energy rate at the same time they are increasing their demand rate.
Vigilante Electric Cooperative

Vigilante is also a BPA customer. They are also impacted by BPA’s CDQ demand charge. VEC has a single phase tariff that applies to both residential and commercial customers. The Demand Charge triggers over 15 KVA. They are a very poor example of a co-op who has implemented demand rates and should be put to the side.

Lincoln Electric Cooperative
Lincoln Electric is also a BPA customer. The 3 part rate sends a price signal to members to reduce usage that would reduce BPA CDQ charges.

LEC introduced a 3-part rate design in May 2017. They are in their 3rd year of a 5 year plan to transition to a full 3-part rate. They make annual adjustments in May, recognizing it as a shoulder month.

They have made annual adjustments since that time increasing demand for residential and small commercial at $.50 per KW. As they have introduced the demand changes, they have reduced the kWh charge and increased their base charge. They have also transitioned away from seasonal summer/winter rates. They will still offer a 2-part rate as listed (bad idea).

$2.00 per KW is their demand charge goal while their COSA says residential demand should be $3.00 per KW. Their base will increase to around $49.00 and the kilowatt hour will decrease down to approximately wholesale.

Interestingly, they will continue to offer the two part rate but the base charge will increase to about $65.00 and the kWh charge will decrease but not all the way to wholesale. Essentially all A&G and System costs are recovered in the base charge.
Norval restructured their rates in September 2016 moving to a 3 part rate for residential members. Reliance on kWh sales impacted by weather doomed their financial stability. Warm winter weather precipitated this action. In 2015, NorVal’s usage was 3.7 percent lower than their five year average. Through five months of 2016 they were 10.3 percent lower than their five year average. They operated in the “red” for several months. Their communication plan spanned several months including a couple direct mail pieces explaining the need for a change. There was no ramp up in the demand charge, it remains the same in 2019. They started out charging for demand at the prescribed level without any transition period. The Base remained the same while the energy rate dropped from $.11 to $.095 cents per kWh. There is no demand charge for irrigation customers.