



P.O. BOX 138 • ASHLAND, MONTANA 59003 • OFFICE: 1-406-784-2341 • FAX NUMBER: 1-406-784-2279

Rate Change FAQ

What is new in the rate change?

For each residential, commercial, and small industrial meter service of 30KW or less, your current billing statements have a demand line item on the bill reflecting this peak load. Currently we do not charge this demand (peak load) however, Beginning September 26th, 2024, Tongue River Electric will begin charging a demand rate.

Why is the change happening?

- **Inflation.** The cost of our materials to build and maintain our system has gone up by 30-100% or more. Some items like transformers have gone up by more than 200%. Our service trucks, equipment, and tools have all seen a 30-40% increase in costs to replace them, and in some cases more.
- **Infrastructure.** As our system expands and ages, we must develop infrastructure to support this. This involves not only enhancing our system with technology that boosts service quality and reliability for our members but also includes replacing aging poles and wires that have surpassed their reliable life expectancy.

How will this affect my bill?

- On TRECO lines the average household has a peak demand each month of 10 kW and usage of 1500 kWh. $10 \text{ kW} \times \$1.00 \text{ per kW} = \10.00 per month plus a \$2 additional base charge resulting in a total increase of \$12.00 per month which is a 6% increase. Now this number can vary based on your usage patterns and weather.

What is Demand?

- Demand is the highest amount of electricity used during a period of time. Members will have a daily peak, generally in the morning or evening. This is when the majority of members peak during the same time period, which creates a peak on TRECO's electric distribution system.
- Because electricity must be generated the moment it is needed, serving peaks can require resources that are more expensive since they are harder to plan for, and require a larger infrastructure to accommodate them.
- A demand fee has always been embedded in our rate; we have chosen to separate part of its cost out to put the power of saving into the member's hands.



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Is there any way I can lower my bill?

- Yes! We structured the new rate in a way that rewards members who change their usage habits to lower their demand.
- Some demand electricity usage is impossible to avoid. For instance, appliances like refrigerators and freezers will need to run periodically, regardless of the time of day. Other loads, especially those that use a large amount of power may be able to run off-peak. Below are a few examples of ways you can reduce your peak:
- During peak hours, we encourage you to “level your load,” and spread out the use of major appliances rather than running them at the same time.
- Do laundry and other chores that require significant amounts of electricity outside of peak hours, such as mid-day, later in the evening, or on weekends. Consider setting a timer to run your dishwasher, washer and dryer, and other appliances outside of peak hours. (Peak hours for most homes are from 6-9 am and then 5-8:30 pm Monday through Friday)
- Purchase a programmable thermostat to reduce heating and air conditioning use during peak hours.

