

## A MESSAGE FROM THE GENERAL MANAGER/CEO

### KEC's System Resilient Through Harsh January Weather

On behalf of your electric cooperative, I'd like to wish you a very happy New Year. I'd also like to share some interesting information with you. As you know, 2024 has certainly gotten off to a wintry start. On January 9, the region experienced sustained winds approaching 30 mph with gusts approaching 45 to 50 mph. The unseasonably warm weather and moist ground conditions that preceded this storm made conditions ripe for large and long-lasting power outages. While our crews stood ready to address those that occurred, the storm passed with very few outages that were easy to manage. Following this, the Inland Northwest experienced an arctic cold front that set in on January 12 and lasted nearly five days. It brought with it sustained temperatures that were well below zero. At their worst, temperatures were nearly 40 degrees colder than those customarily experienced in January.

When extremely cold weather such as this sets in, electrical consumption increases considerably. Simply put, the furnaces of our homes and businesses have to work harder, and longer, to overcome the difference in temperature between the inside where we live and work, and the frigid outdoors. Temperature extremes such as those just experienced can place great strain on the electrical grid and natural gas pipelines, which must be monitored closely. As with the wind storm the week prior, KEC was ready to respond to any overloading experienced.

In the early hours of January 13, KEC's system experienced a new peak in electrical consumption that was nearly nine percent higher than our previous record set in December 2022. Aside from a few very minor

issues, our system handled it smoothly. This is the product of rigorous system planning and strategic system improvements (including a robust vegetation management program) that the cooperative invests in to ensure our system is capable of meeting our members' needs, despite what Mother Nature throws our way. Accompanying this system peak will be what we forecast to be a corresponding record energy consumption by our members as they heated their homes and businesses over this sustained cold front.

I offer this information for two reasons. First, I wanted to offer assurance that our electrical system is in good shape and ready to meet the abnormal demands that have been placed on it. The investments and maintenance we perform have resulted in the increasing reliability and resilience expected by our members. Secondly, at the risk of stating the obvious, we need to be prepared for some higher than normal bills. This will affect both KEC and its members. The cost of the power KEC purchases from the Bonneville Power Administration is forecasted to be the highest in our cooperative's history. This is a direct result of the record consumption by most of our members during this abnormal weather event. As you receive your electrical bill for January's use, please take this into consideration. It will be much higher than normal due to the cold weather.



Doug Elliott

**Doug Elliott**  
KEC General Manager & CEO

## CHECK OUT OUR DRIVE-THRU FOR ULTIMATE CONVENIENCE

At KEC, we regularly evaluate the ways members can manage their accounts, pay their bills and interact with us. While many members choose to manage their accounts electronically through SmartHub, other members prefer to manage their accounts and make payments in person. In designing our new headquarters, we included a drive-thru to offer a more convenient service experience for those members who would rather not leave their vehicle.

The new drive-thru houses a drive-up window that is staffed during regular business hours as well as a payment drop-box that is available around the clock. The drive-thru is particularly convenient as we experience harsh weather or for members with mobility challenges.

At the drive-up window, members will be able to complete quick transactions like payments and paperwork drop-off/pick-up all from the comfort of their vehicle. We can accept payment via cash, check, money order, Visa and MasterCard. We ask that members who want to discuss their bill or other questions come into the office or contact us by phone or email.



**Photo above:** Haley, KEC Member Services Representative, is ready to assist members in our new drive-thru.

At the drop-box, we accept payments made using check or money order. Please include your KEC account number on your payment. Payments placed in the drop-box outside of business hours or after 5 p.m. will be applied to your account the next business day.

As we live our mission of providing exceptional service, we are always looking for ways to meet our members where they are—whether they'd like to come into the office, call us, use our SmartHub app or wave hello through the drive-thru. This is just another way we are looking out for you, our members.

### THE 2024 ANNUAL MEETING & ELECTION

The 2024 annual meeting is scheduled for the afternoon of Thursday, May 30, at KEC's new headquarters in Rathdrum. KEC board of director districts 2, 5 and at-large are up for election this year. The election process is governed by the KEC bylaws. To review a copy please visit [www.kec.com](http://www.kec.com) or call 208.765.1200.

Watch your mailbox and email in mid-April for your election packet and annual meeting details. The packet will include board candidate bios and your ballot.

### WIN A \$50 ENERGY CREDIT

Below are 10 KEC account numbers. If you find yours contact us at 208.765.1200 to receive a \$50 bill credit.

**1850685, 1252213, 1734449, 1855712, 1824307,  
1817359, 1606113, 1837299, 1838033, 1306650**

### KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary—call Constance Felten at 208.292.3211 for details.

# Record-Setting Cold in January Leads to Higher Electric Bills

You may remember the bitterly cold weather we experienced in mid-January and on the front page of this newsletter Doug Elliott shared how well KEC's electric system performed during this time. When record-setting cold temperatures hit the area, most of us stay indoors and look for ways to stay warm and that can drive up electric use resulting in higher bills.

## Why Cold Weather Affects Electric Bills

Space heating and water heating are the two biggest drivers of energy use in most households, accounting for over 50% of a home's energy use during the winter months. When temperatures go down in the winter, heating needs go up. Even if a thermostat is kept at the same temperature inside, the home's heat pump or furnace works harder when it gets colder outside.

## How January's Bitter Cold Might Affect Your Electric Bill

Recently, KEC staff conducted an analysis to estimate how the cold snap in January might affect our members' bills. We reviewed two typical homes within our service area, one which is heated by electricity and the other heated with natural gas. The analysis compared the typical consumption of these two homes over a nine-day span of time. The first of these time frames includes the January cold front our region experienced. The second reflects an identical span of time with typical winter temperatures.

For a typical home heated with electricity, the cost of the additional electricity used was \$41.62 (or 96%) higher than normal for those nine days only. For a typical home heated with natural gas (or other non-electric sources like propane or wood) the cost of electricity was \$8.97 (or 45%) higher than normal. \*Note: those homes will also experience an increased cost of heating fuel not reflected in the costs below.

Time Frame	Homes Heated with Electricity**	Homes Heated with Natural Gas or Other Energy Sources*
January Cold Snap	\$84.97	\$29.01
Typical Winter Weather	\$43.35	\$20.04
Additional Cost for Nine Days	\$41.62	\$8.97
% Higher for Nine Days	96%	45%

\*\*The costs above are for a 9 day span of time. Thus, while consumption for those who heat with electricity were up 96% over that time span, overall monthly electric use should be less than this if the weather during the rest of the month is more typical.

## Use SmartHub to Track Your Electric Use

Sign in to SmartHub where you can track your monthly, daily and even hourly energy use and compare it to the outside temperature. Using SmartHub is a great way to learn more about your home's energy use patterns and evaluate how weather affects your bill. Sign up for SmartHub by visiting [www.kec.com/manage-your-account](http://www.kec.com/manage-your-account).

We understand that managing increased utility bills can be challenging, especially during the colder months. Please feel free to reach out to our member service team at 208.765.1200 or [kec@kec.com](mailto:kec@kec.com) if you have any questions or require assistance in understanding your bill or exploring payment options.

# KEC Board Authorizes Capital Credit Retirement

In December 2023, after reviewing the financial health of the cooperative, the board of directors authorized the general retirement of \$900,000 in capital credits related to electric purchases from a portion of 1995. These capital credits will be returned (paid back) to members based on their electric use during that period. Checks will be mailed to eligible members in March 2024. **Here's how capital credits work:**



**1** Money comes in from members when they pay their electric bills. Electric bills can be thought of as each member's fair share of the funds needed for KEC to operate.

**2** Money goes out to pay co-op expenses. Members' dollars are pooled together and used as operating capital so that KEC can provide reliable service and pay co-op expenses.

**3** Cash left over after paying co-op expenses is allocated to the members as capital credits. These funds provide a portion of the needed financing for the construction of our infrastructure projects based on our long-term construction work plan.

**4** When the financial condition of KEC allows, these capital credits are then retired or refunded to each member in the form of a check or a bill credit. Historically, this has been after 28 to 30 years, which follows the average useful life of our utility infrastructure (transformers, poles, etc.).

**5** Rather than waiting, eligible members may choose to participate in KEC's Early Discounted Capital Credit program. By participating in this program, active members receive the discounted amount of their capital credits as a bill credit on their November billing statements. Inactive members receive a check in the mail in November. Watch for details about this program in the summer of 2024.

## More about capital credits:

As an electric cooperative, KEC returns excess revenue to members over time. All revenue exceeding the cost to provide electric service is allocated back to you in the form of capital credits. The amount of capital credits you are allocated each year is based on how much electricity you used during the previous year. Once allocated, your capital credits are held by KEC as a resource to replace aging infrastructure, increase capacity, maintain reliability and to operate your cooperative.

For more information on this topic please visit [www.kec.com](http://www.kec.com) or call 208.765.1200.