

NOTICE OF PROPOSED AMENDMENTS TO THE RATES AND REGULATIONS OF THE INTERMOUNTAIN RURAL ELECTRIC ASSOCIATION

You are hereby notified that The Intermountain Rural Electric Association (“the Association”) proposes to make changes to its Rates and Regulations to become effective February 1, 2019, or such later date as determined by the Association’s Board of Directors.

The revenue collected by the Association is expected to decrease as a result of the proposed rate changes, although individual residential consumers will see either a decrease or increase in monthly charges depending upon their usage. Proposed changes include an increase to the basic monthly service charge on residential accounts with a corresponding decrease to the energy rate. Certain non-residential consumers will have the option to switch to a three-part demand rate class, which may decrease their bills depending on their usage.

PROPOSED RATE CHANGES

The Association proposes to make the following changes to the Rates:

Increase the residential basic service charge from \$10.00 to \$12.50 per month and decrease the energy rates for **Residential Service (A)** from \$0.123100 to \$0.12052 and **Residential Incorporated City or Town Service (CS)** from \$0.11317 to \$0.11004.

Adopt a **Small General Service – 1 Phase (SG1)** rate for single-phase, non-residential consumers that consists of a \$21.00 basic service charge, \$8.54/kW demand charge, and \$0.06363/kWh energy charge.

Adopt a **Small General Service – 3 Phase (SG3)** rate for three-phase, non-residential consumers that consists of a \$30.00 basic service charge, \$11.65/kW demand charge, and \$0.06363/kWh energy charge.

Adopt a **Large Power Service (LPS)** rate for three-phase, non-residential consumers that consists of an \$86.60 basic service charge, \$13.25/kW demand charge, and \$0.06000/kWh energy charge.

Offer the **Commercial Service (E1), Commercial Service (E3), and Large Power Service (FP)** rates only to consumers on those rates as of February 1, 2019, or a later date determined by the Board.

Adopt a **Transmission Wheeling Service (TWS)** rate for the wholesale transmission of energy consisting of a \$0.27/kW contract demand charge, \$0.00016/kWh wheeled energy charge, and 1.50% loss factor.

Increase the **Work Request Design Fee (Residential)** to \$200 and decrease the **Same Day Connection, Same Day After-Hours, Reconnection, and Reconnection After-Hours Fees** for Consumers whose meters can be remotely connected or reconnected.

PROPOSED REGULATION AMENDMENTS

The Association proposes amendments to the Regulations that would:

1. Adopt standards for the removal of idle electric facilities.
2. Align the Rates and Regulations with the Association’s Restated Bylaws.
3. Clarify language regarding eminent domain.
4. Change from May to April the month to credit consumer-generators for excess generation.
5. Specify that the Association’s payment processing fees shall not exceed actual transaction costs.
6. Decrease fees for remote meter connection and reconnection.

7. Impose a surcharge when a consumer's power factor is less than 95% and establish that the Association may disconnect service if a consumer's facilities deviate from the power quality standards set by the Association.
8. Clarify the requirements for and cost of design fees for service extensions.
9. Revise language to reflect the Association's current business practices and accommodate new organizational business practices.

Copies of the proposed changes to the Rates and Regulations are available online at www.irea.coop and at each of the following offices of the Association:

Sedalia

5496 North U.S. Highway 85
Sedalia, Colorado 80135

Strasburg

1497 Main Street
Strasburg, Colorado 80136

Conifer

13404 Old U.S. Highway 285
Conifer, Colorado 80433

Woodland Park

800 North Highway 67
Woodland Park, Colorado 80863

Consumers who have questions concerning the proposed changes may call the Association at (720)733-5497. Association consumers may file written complaints by addressing them to the attention of the Chief Executive Officer and delivering them to 5496 N. U.S. HWY 85, Sedalia, CO 80135 at least thirty (30) days before the proposed effective date.

Dated this 1st day of November, 2018

/s/ Patrick B. Mooney
Chief Executive Officer