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## **DMEA holds line on residential and small business rates for second consecutive year**

*“Demand charge” for industrial rate class increased to match DMEA’s peak power cost*

(Montrose, Colo.) Delta-Montrose Electric Association’s (DMEA’s) board of directors recently approved the cooperative’s budget for 2010. DMEA is not planning a rate increase for the second year in a row for residential and small business rates classes. DMEA’s industrial rate 5A rate class will see an increase in the demand charge component of their bill from \$20.56 to \$21.50 per KW of Member Coincident Peak (MCP) demand in order to match what DMEA pays Tri-State Generation and Transmission Association in demand charges.

“We particularly hope that our holding the line on residential rates will help our residential member-owners many of whom are facing tough economic times,” said Dan McClendon, DMEA’s general manager. “We’ll continue in 2010 to work to help our members save energy and money and we hope to play a role in repowering our local economy.”

This is the second year in the row that DMEA has not had a rate increase for most of its members. In late 2008, the co-op’s board of directors asked staff to do everything possible to not pass through a \$1.8 million increase in DMEA’s wholesale cost of power. DMEA accomplished this through a variety of means including cost cutting, deferring some projects, and drawing down some of the co-op’s very high equity.

“This year we were fortunate in that our power supplier, Tri-State Generation and Transmission Association, did not increase the cost of power to its member systems,” noted McClendon. “The cost of wholesale power represents roughly 70 percent of our overall operating expenses, so the decision by Tri-State’s board not to increase its rates is a major factor in our being able to hold our rates constant for most of our members. We commend their work to control costs while enhancing

their rebate programs for energy efficient appliances, lights, and other conservation measures and hope they'll expand such efforts.”

McClendon also explained that energy prices have moderated in part because of global economic conditions that factor into our local cost of energy. The price of petroleum, gasoline, natural gas, coal, and other energy sources have come down as compared to the previous year.

“We believe that as the economy recovers, energy costs will start to climb. Therefore, DMEA will continue to emphasize the importance of energy efficiency, conservation, demand-side management, and any way we can find to help our member-owners save energy and money.”

“We also greatly appreciate the contributions of our industrial 5A rate class members, primarily the coal mines in Delta and Gunnison counties, to our co-op, our communities, and the nation as a whole. The increase in their demand charge from \$20.56 to \$21.50 per KW of Member Coincident Peak (MCP) demand was recommended by our staff and approved by our board on December 15, 2009 in order to match the demand charge that DMEA pays Tri-State.”

DMEA has seven industrial 5A rate class members whose service is three-phase, 60 cycle at transmission voltage of 46 KV and 115 KV. Industrial 5A rate class members will not see an increase in their energy cost which is currently \$.0329 per kilowatt hour in 2010, noted McClendon.

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