



# Sac Osage Electric Cooperative

## News

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A Touchstone Energy® Cooperative 

## Why Have a Residential Rate Redesign?

Sac Osage Electric Cooperative is developing a new rate structure which will significantly change the way residential bills are calculated. But a person may ask, “Why does the Cooperative need to change rates? Why not just leave them the way they’ve always been?”

The Cooperative’s 2018 budget estimates that 55% (\$9.8M) of the total cost of electric service will be to pay for purchased power from our energy provider, KAMO Power. Of the \$9.8M that KAMO is expected to bill us, about 45% (\$4.4M) will be in the form of demand charges, which were determined by peak loads that Sac Osage Electric’s members placed on KAMO’s system in a prior 12-month period. Historically, the Cooperative’s peak loads have tended to occur between the hours of 6-9 AM and 4-7 PM. Using power during peak demand periods drives up KAMO’s demand charges.

KAMO Power’s responsibility for delivery of energy ends at the substation. From there, Sac Osage Electric must provide appropriately sized wire, poles, transformers and the other facilities necessary to get the power to each member’s residence. Consequently, the load each member places on the electrical system contributes to both the demand charges from KAMO Power and the facility requirements of the Cooperative.

For decades, our present declining block rate structure was considered the best billing method available, but that methodology contains very little logic. For example, members with high kWh usage may pay more than their share of fixed costs, while members with sporadic energy use, but requiring the same facilities as everyone else, may not contribute enough. Members using electricity during off-peak hours pay the same thing during peak hours because the Cooperative at best received daily readings.

Now that the Meter Data Management System (MDMS) technology is available to measure hourly usages and peak demands, members can be billed more accurately for the costs they impose on the electric system. As a result, proper price signals allow members to better see how their usage affects overall expenses and encourage wiser energy use, which is something our present rates do not accomplish.

### *The redesigned rate structure now under consideration consists of the following charges:*

- Availability Charge – A fixed fee will be used to recover administrative costs, billing costs, maintenance expenses, and other non-electric usage related expenditures;
- Peak Demand Charge – A members highest hourly kW demand recorded during the month would be used to recover the Cooperative’s fixed facilities costs; and



- Peak and Off-Peak Energy Charges – kWh’s consumed during peak demand hours (6-9 AM, 4-7 PM) would be billed at a higher rate than off-peak kWh’s, which in aggregate would cover purchased power costs.

Let’s face it, people don’t like change, except when things change for the better. At the Cooperative, the challenge is to use this new technology in a way that collects revenue more equitably, and creation of a more equitable residential rate structure is the right thing to do for those who are now paying more than their fair share.

**Our office will  
be closed on  
Monday, May 28th  
in observance of  
Memorial Day!**





## NOTICE OF NET METERING LAW

On January 1, 2008, the State of Missouri's Net Metering Law took effect requiring all electric utilities to offer a net metering program to customers generating up to 100 kilowatts of electricity. These systems can generate electricity using wind energy, solar-thermal energy, hydroelectric energy, photovoltaics', fuel cells using hydrogen produced by one of the aforementioned resources, and other sources of energy certified as renewable by the Missouri Department of Natural Resources.

Systems must be intended primarily to offset part or all of the member's electricity requirements and must be located on property owned, operated, leased or otherwise controlled by that member. The Net Metering Law states that any power that is not used by the member generating the power (commercial or residential) will be credited to their utility bill at the utility's avoided-cost rate each month. Credits from net metering must be used within twelve months of generation or they expire.

Members must complete a Net Metering application and agree to terms and guidelines before their generating system will be connected to the cooperative's system. For further information or to request an application, please contact our office toll free at 800-876-2701.



### Energy Efficiency

### Tip of the Month

If you've replaced your refrigerator recently, good for you! You are no doubt saving money because new appliances are far more efficient than older ones. However, if you moved the old fridge to the garage, you are adding a lot to your electric bill, especially if it is mostly empty. Consider recycling your old refrigerator or pull the plug to reap the most savings.



## OBSERVE ELECTRICAL

## SAFETY MONTH THIS MAY

*Safe Electricity has tips and resources to help you stay safe around electricity*

Electricity is such a common presence in modern life that many people do not notice it until the power goes out or an electrical accident happens. May is the perfect time to broaden your knowledge of electricity since it is Electrical Safety Month. The information you need to brush up on your electrical safety knowledge is available at [SafeElectricity.org](http://SafeElectricity.org).

"Safe Electricity has educational materials available to the public," says Janna Dody, Communications Coordinator. "Please take time in May not only to learn more about electricity, but to share that knowledge with others."

One of the most compelling resources is the series of "Teach Learn Care TLC" videos, which feature the stories of people whose lives were affected by electrical accidents. The survivors and loved ones of those involved in electrical accidents want you to learn from their stories to avoid similar tragedies. Families at home, teenage drivers, construction workers, boaters and farmers are all featured—proving that electrical tragedies can strike anywhere. Safe Electricity has a video featuring Kyle Finney's Live Line demonstration, which shows the dangers of high voltage electricity.

You can see electrical arcs, find out what happens when a Mylar balloon comes in contact with power lines and learn more about safety measures to take in and around the home. Safe Electricity also has a library of articles available to the public. You can also like Safe Electricity on Facebook to get timely updates and reminders about electrical safety.

If you would like a personal demonstration for a group, for kids or adults, Sac Osage Electric can provide a live demonstration. Call 417-876-2721 to schedule a FREE demonstration.

Safe Electricity hopes you will observe electrical safety month and encourage friends and family to do the same. Learn more at [SafeElectricity.org](http://SafeElectricity.org).

# SAFETY FIRST!

Electricity can be your best friend when it comes to outdoor chores, but only if you follow proper safety guidelines. Only use cords that are rated for outdoor use. Be sure electrical equipment plugs into outlets protected by GFCIs. And keep this equipment away from water.



## Just a friendly reminder that May is catch up month for those members on Budget Billing.