

Manager's message: Factors that impact electricity prices



The daily cost of living seems to have increased across the board throughout our state and country.

Just as inflation has impacted everything, from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. This is a timely topic, so I wanted to help explain some of the factors impacting electricity prices (and energy bills) in this month's message.

While there is no short answer, a few key elements impact electricity prices and rates. Some of these factors KEM Electric Cooperative can manage, some of them you can impact and other factors are beyond our control. So, let me break it down.

There are two primary parts to your monthly electric bill: a base charge and an energy consumption or kilowatt-hour (kWh) charge. To understand your total energy costs and what impacts your bill, let's unpack one piece at a time.

The first is a fixed monthly base charge, which covers the costs associated with providing electricity to your home. This includes

equipment, materials, labor and operating costs necessary to serve each meter in KEM Electric's service territory, regardless of the amount of energy used.

To ensure the reliable service you expect and deserve, we must maintain the local system, including power lines, substations and other necessary equipment. Like many other businesses, we've experienced supply chain issues and steep cost increases for some of our basic equipment. For example, the cost for a distribution transformer (which looks like a long metal can at the top of a power pole) increased from \$1,000 in 2021 to \$1,500 this year, and wait times to receive this essential equipment are up to 20 weeks or longer.

Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members. I should note the base charge is the same for everyone in the rate class and the costs are shared equally across the membership in that rate class.

Another component of your monthly bill is the kWh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling or heating equipment operates longer, which

increases your home energy use. Regardless, energy consumption is an area you have some control over, and you can lower your monthly bill by actively reducing energy use. Your thermostat is a great place to start, experts suggest to keep it close to 78 degrees during summer months and 68 degrees in the cooler months.

I hope this information sheds light on some of the factors impacting electricity prices. While we can't control the weather or the rising costs of fuels, please know KEM Electric is doing everything possible to keep internal costs down.

We're here to help you, too. Contact us if you have questions about your energy bill or for advice on how to save energy at home. ⚡

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Touchstone Energy Student of the Month



September marks the beginning of the Touchstone Energy® Student of the Month program, hosted by KEM Electric Cooperative in partnership with Touchstone Energy. This program aims to recognize outstanding students in grades K-12 and provide a monetary \$100 sponsorship to their school for a project or initiative chosen by the winning student.

“At KEM Electric, we firmly believe in supporting education and fostering the development of young individuals in our community,” said Marcy Sanders, manager of member relations at KEM Electric. “The Touchstone Energy Student of the Month program presents an excellent opportunity for us to celebrate and recognize students who excel in anything ranging from academics to leadership to community involvement or personal growth.”

Application process

Students can be nominated by teachers, parents/guardians, school administrators or community members. Nomination forms can be accessed online through our website or the QR code above. The deadline is the last day of each month. Students are eligible to be nominated and chosen September through April. Students who are homeschooled or attend school outside of KEM’s service area are also eligible to apply and will be chosen in May.

The winning recipient will receive funds for their school. The student will have the opportunity to choose a project or initiative within their school, for which the funds will be utilized. KEM Electric will work with the school to ensure smooth transition and completion of the project. Each month, we will be focusing on a different school within our service area, and will be done so

as follows:

September – Ashely Public School
October – Hazelton-Moffit-Braddock
November – Kidder County
December – Linton Public School
January – Napoleon
February – Strasburg Public School
March – Wishek Public School
April – Zeeland Public School
May – Homeschool or students outside of KEM’s service area

Visit www.kemelectric.com to learn more. KEM Electric looks forward to celebrating the achievement of students in our service area. ⚡



The Operation Round Up application deadline is Sept. 31.

Contact the KEM Electric office or visit kemelectric.com for more information.

