



# The Sedgwick County Electric Cooperative Association, Inc.

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[www.sedgwickcountyelectric.coop](http://www.sedgwickcountyelectric.coop)

To Members of Sedgwick County Electric:

Due to the extreme cold weather in the middle of February, Sedgwick County Electric Cooperative is working hard to minimize any surprises in the electric bills due to the increased fuel costs associated with the extreme weather, even though the impacts are not fully understood yet.

On Saturday, February 13, 2021, we started receiving communications from various entities that gas and electric prices were going to be at unprecedented levels due to the extreme temperatures. In the Co-op's 83-year history we have never experienced anything like this. On Monday morning, February 15, 2021, the Southwest Power Pool (SPP), which balances electricity production and use for a 14-state region including Kansas, declared an Energy Emergency Alert (EEA) level 2. Level 2 declaration requires that SPP direct its member companies to issue public conservation appeals. We started posting conservation requests on our website and Facebook. Level 3 (which issues rolling blackouts) was declared on February 16, 2021 and we were very fortunate that none of our territory was affected.

We purchase our power from Kansas Electric Power Cooperative Inc (KEPCo) who in turn purchases from other Generation & Transmission (G&T) companies. Due to the high demand, there were shortages of power that the SPP was dealing with. There was also an inadequate supply of natural gas. The energy demand on the SPP exceeded their generation capacity; not just in Kansas but also in the other 13 states that they serve.

Our power supplier (KEPCo) was formed by the other Rural Electric Co-ops in the state of Kansas in 1975. It is a not-for-profit G&T Coop headquartered in Topeka, Ks. It is KEPCo's responsibility to procure an adequate and reliable power supply for its 16-distribution rural electric cooperative members at a reasonable cost.

Each month our members see a power cost adjustment (PCA) to their bill. This adjustment fluctuates based on the cost of fuel and purchased power; therefore, sometimes you may pay an additional charge and other times you may receive a credit. The price adjustments related to the extreme weather event will flow through the PCA mechanism. KEPCo determines this adjustment every month based on the actual cost of fuel and purchased power from its owned generation and other suppliers. In order to mitigate the price impacts to Sedgwick County Electric Co-op and its other members in the short term, KEPCo's Board has established a cap on the PCA for the month of February, not to exceed \$0.033 per kilowatt hour. Note that our members will not see this cap until the April 5<sup>th</sup> billing. As of this time, there are too many unknown factors to determine exactly what the PCA amount will be and how many future months will be affected. More time is needed to determine what the actual costs will be from this unprecedented weather event and we are planning to spread the costs over several months instead of billing all at once. We will continue to communicate the plan to address this on our website as we learn more.

If you need assistance with your bill from us, please call our office at 316-542-3131 (or toll free 866-542-4732), 8:00am – 5:00pm (M-F). Thank you for your patience as we work through this extreme weather event.

Scott Ayres

General Manager/CEO

*"Committed to providing safe, reliable, innovative energy solutions for you, our member-owners."*