

**SURPRISE VALLEY ELECTRIFICATION CORP.
RATE CHANGES – EFFECTIVE JANUARY 1, 2023**

After much consideration and a Cost-of-Service Analysis by an outside firm, the Board of Directors at Surprise Valley Electric has deemed it necessary to adjust our rates in order to keep pace with manufacturing and operating costs.

Like many of you, SVEC is experiencing the effects of skyrocketing costs. We are facing unprecedented cost increases in wire, transformers, poles, fuel, overhead, and all costs associated with operating and maintaining a distribution electric cooperative. For example, transformer costs have risen approximately 147% on average from 2020 to 2022, while the cost of wire is up 91%, and copper costs have increased by about 116%.

In addition to increased maintenance and materials costs, SVEC has been actively engaged in efforts to reduce wildfire risk to our members and their property. These fire mitigation efforts represent a significant investment, but the changes in fuel load and the ongoing drought conditions have made this an unavoidable cost.

Due to these drivers, SVEC will implement a rate increase, effective January 1, 2023. Despite this rate increase, SVEC is still far below neighboring utilities, and we are well below the national average. Like all rural electric cooperatives, SVEC works on a non-profit, at-cost basis: we charge just what it costs to provide the service. As costs increase, we must also increase our rates accordingly.

The new rate schedule can be found on the back of this page, as well as on our website at www.surprisevalleyelectric.org. Along with an energy charge increase of \$0.0035/KWh, there will be increases to monthly basic charges and outdoor lighting charges, some of which have not been changed for over 30 years. Prior to this change, residential, small commercial, and industrial basic charges were last updated in 2015, while irrigation basic charges have not been changed since 1985. Additionally, the rates for outdoor lighting have not changed since 2001.

The decision to increase rates is never an easy one to make, and we understand how it affects our members. Therefore, we at SVEC thank you for your ongoing support and trust that these changes will help us continue providing you with safe, reliable service.

**SURPRISE VALLEY ELECTRIFICATION CORP.
NEW RATE SCHEDULE – EFFECTIVE JANUARY 1, 2023**

SVEC has approved a retail rate adjustment to its members, starting with the January 2023 billing (for service from January 1 – 31, 2023). The following rate schedules show the difference between the old and new rates. Please call SVEC at 530-233-3511 if you have any questions.

Schedule D – Residential and Small Commercial

	Monthly Basic Charge	Energy Charge (per KWh)
Old Rate (2022)	\$15.00 Minimum	\$0.085
New Rate (2023)	\$24.00 Minimum	\$0.0885
Monthly Basic Charge will be calculated at a rate of \$1/KVA transformer size, with a minimum of \$24.00 per month.		

Schedule OL – Outdoor Lighting

	100-watt (9,500 lumens)	200-watt (22,000 lumens)	Monthly Pole Charge
Old Rate (2022)	\$6.50/light	\$8.50/light	\$1.00
New Rate (2023)	\$8.00/light	\$10.00/light	\$2.00

Schedule PA – Irrigation Rate

	Monthly Basic Load Charge	Energy Charge (per KWh)
Old Rate (2022)	\$2.67/HP	\$0.0695
New Rate (2023)	\$3.80/HP	\$0.073

Schedule PA - Stock Water Rate

	Monthly Basic Charge	Energy Charge (per KWh)
Old Rate (2022)	\$15.00 Minimum	\$0.096
New Rate (2023)	\$24.00 Minimum	\$0.0995

Schedule A – Industrial (Large Power)

	Monthly Basic Charge	Energy Charge (per KWh)	Demand Charge (per KW)
Old Rate (2022)	\$50.00 - \$150.00	\$0.071	\$5.50
New Rate (2023)	\$150.00 - \$250.00	\$0.0745	\$6.25
Monthly Basic Charge will be \$150.00 for transformers below 500 KVA and \$250.00 for transformers 500 KVA or above.			