

Electric Equipment Affected by Inflation and Long Lead Times



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Current Inflation and Delivery Lead Times



PVC Conduit
8-12 WEEK DELIVERY
500-800% COST INCREASE



Pad Mount Transformer
140 WEEK DELIVERY
100-300% COST INCREASE



Primary Wire
7-10 MONTH DELIVERY
25% COST INCREASE

The Russia/Ukraine war and the ongoing pandemic are contributing to the supply chain issues in the electric industry. There is great uncertainty when this will be fully resolved which affects our ability to build electric infrastructure.

According to our material supplier, there are three reasons for supply chain disruption right now. Raw materials like copper, aluminum and steel are in demand, logistics and freight are bottled up, and labor shortages in the manufacturing plants. The demand on raw materials has another unique challenge with other industries ramping up production like electric vehicles and battery storage.

So, why does this matter to the members of B-Y Electric? Well, availability and price.

We need your help in order for us to have the material you need for your service.

One item that is being severely impacted right now are transformers. Currently, the lead times on a transformer is 140 weeks which means we are now evaluating our 2024 needs. Last fall we were putting our plans together for this year's construction season like any other year and were notified the lead times for transformers were into 2023. Of course, we secured our needs for 2023, but what about 2022?

We decided to focus our construction on upgrading junction boxes from 200 amps to 600 amps in the lake area instead of line upgrades. This large project has been in our work plan and we have the materials to complete it. The electric demands due to load growth in the lake area were taxing the 200 amp equipment. This project will increase reliability in that area.

The last few years, our construction work consisted of line moves due to the SD

DOT widening highways in our area or upgrading aging line. When we do these type of line projects mostly going from overhead construction to underground construction, it requires new transformers.

Since this summer we will not be doing line upgrades, the transformers that would be needed will be available for new services, service upgrades, and emergencies. Those alone won't be enough to get us through the season so we will be ordering stock transformers from our vendor as they become available.

We don't want to get into a situation where we won't have any at all. We take pride in being able to serve our members in a timely manner. It is not who we are to not be responsive to our members. We need your help in order for us to have the material you need for your service.

If you know that you will need a new service or a service upgrade this year, please call Ken at 605-463-2507. Unfortunately, we cannot guarantee we will have the material for your project if you do not plan ahead. Those that do will have access to the availability first.

These challenges are also impacting costs. We are seeing a 15 kVa transformer, which is the size for most residential services, is up 125% and larger transformers for small commercial and ag services are up 200-300%. In dollars, it is an additional \$1,000-\$9,000 more per transformer. We are hopeful that when the supply chain issues are resolved, the prices will go back down.

Your Board and all employees at B-Y Electric are mindful of how all these challenges affect our member's wallet. We are very proud that with the rising inflation, our members can be relieved that B-Y Electric does not need to raise rates.

For more information, call our office at (605) 463-2507 or email horst@byelectric.com