

Your Cooperative is Financially Stable, and No Rate Increase is Needed for 2022.



Stephanie Horst
horst@byelectric.com

2022 is beginning in true South Dakota weather fashion with Monday afternoon, January 3rd, at a balmy 51°F and Thursday's COLD morning wind chill temperature of -32°F. What a swing, but not surprising. Any South Dakotan knows to wait a minute and the weather will change. It is also common in the fall and spring to see children dressed in several layers to prepare them for whatever weather the day will bring while at school.

Weather doesn't only impact how we dress but how energy is used. Let's not forget the February 2021 Polar Vortex. We asked members to conserve energy because the total grid demand was pushing more than the grid could handle. B-Y Electric purchased 1.2M kWhs more than what was budgeted in February because of increased heating load.

Then came the hot, dry summer. June, July, and August were all higher kWh purchases than what was budgeted due to increased irrigation and air conditioning loads.

Behind all the successful numbers, are the dedicated B-Y Electric employees and directors working together focusing on our members by providing reliable cost-effective electricity.

November was a different story. Temperatures were very mild causing less heating load with kWh purchases 1.5M less than budgeted. However, as of the end of November, we purchased more kWh than budgeted year-to-date. With more member electric usage than budgeted, additional power costs follow but with the sales to members and other operating expenses under budget our preliminary year end margins are positive.

December and year end books are currently

being finalized, and we will be sharing the financial results in the coming months after our audit is completed.

The good news is your cooperative is financially stable, and no rate increase is needed for 2022. However, we are keeping an eye on the new electric load that is coming onto our system and how that affects the Cooperative. New rates or adjusting current ones may be necessary to avoid one rate class subsidizing other rate classes in the future.

Electric vehicles are one new electric load that we are keeping an eye on. The added demand at a service these create could mean electric infrastructure upgrades and higher electric costs for the Cooperative, but stay tuned! We will be rolling out incentives soon for our members with electric vehicles charging on our system to help avoid the extra energy costs to the rest of the members.

The other good news is that we are fortunate to be a thriving cooperative. We constructed over 100 new services last year even with high building costs, and it looks like 2022 is shaping up to be the same with new services already being requested.

Behind all the successful numbers, are the dedicated B-Y Electric employees and directors working together focusing on our members by providing reliable cost-effective electricity. 2022 will have its challenges with unknown weather patterns, the rising inflation costs, and electrical equipment delays; but with this team I am confident we will weather through it.

We do however need your help. We pride ourselves in being responsive to constructing services when members need it, but with equipment delays we need you to provide us with your construction plans as soon as possible so that we have materials for your project. Unfortunately, we can't promise prompt responsiveness with last minute requests, but we will do everything we can to lessen any delays.

As we enter February, stay warm and safe. Be sure your winter survival kits are stocked in your car and in case of an extended outage you have a winter preparedness plan. Check our website for more information www.byelectric.coop/emergency-preparedness.

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