

FUEL ADJUSTMENT FACTOR



575-758-2258 • 800-688-6780 • www.kitcarson.com

What is a Fuel Adjustment Factor?

- * KCEC currently purchases electricity from Tri-State Generation and Transmission Association, Inc. (Tri-State) of which KCEC is a member. KCEC sets rates to recover various costs, including administrative, maintenance, power costs, plus others. Of these, power costs vary the most from month to month. In order for KCEC and other New Mexico electric cooperatives to avoid requesting a rate increase or decrease each month to accommodate these variations, the New Mexico Public Regulation Commission (PRC) granted New Mexico electric cooperatives, including KCEC, a Fuel Purchased Power Cost Adjustment clause in addition to our regular (base) rates. The regular rate contains a set amount for basic power expenses. The fuel clause, granted by the PRC, raises and falls depending on the increases or decreases in the price of power. This is the Power Adjustment Factor.

What is a demand charge?

- * Each month KCEC receives an energy charge and a demand charge from Tri-State. Every electric cooperative that serves the public is subject to a demand, or load, charge that varies from hour-to-hour, day-to-day, and season-to-season. The demand is a measure of the rate of electric usage in 15 minute intervals throughout the month.

Why does my bill differ from month to month?

- * The demand is affected by the number of hours of daylight, temperature extremes and other activities. During winter months when temperatures in our area can dip below zero and days are shorter, additional electric heaters are in use to thaw pipes, Christmas lights are on and other lights are on more. Because of these factors, the demand component is higher, resulting in higher power cost which affects the fuel adjustment.

Is there anything I can do to avoid higher electric bills?

- * Yes, there are many things that can be done to lower electric bills, especially in the winter months. Energy efficiency begins in our homes and businesses. Make sure water pipes are wrapped correctly to avoid freezing. Check windows and doors to make sure they are weather stripped and the stripping is not worn or out. Turn off lights and electric heaters if they are not needed. Consider KCEC's Time of Use rates and run high energy usage appliances, such as electric clothes dryers and dish washers in off peak times. Consider lighting that is more efficient, including LED and CFL lighting. Consider a timer for your water heater, as that uses a great deal of electricity to heat water when it is not in use. Unplug any appliances that are not necessary. There are many other ways to save electricity. Kit Carson Electric Cooperative staff is prepared to give you guidance. Give the Customer Service Department a call at 575-758-2258.



Kit Carson Electric Cooperative, Inc.
 A Touchstone Energy® Cooperative
 The power of human connections®
ELECTRIC TELECOM INTERNET
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Kit Carson Electric Cooperative Inc.

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