

SOUTHEAST COLORADO POWER ASSOCIATION

AUGUST 2024



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Our primary mission is to provide high-quality, reliable electric service at a reasonable cost to our members, improve their quality of life through new technologies and services, be a visible and active member of the community and serve our members with respect, courtesy and responsiveness.

SOUTHEAST COLORADO
POWER ASSOCIATION IS AN EQUAL
OPPORTUNITY PROVIDER AND
EMPLOYER



ELECTRICITY PROVIDES POWERFUL VALUE

BY KEVIN BRANDON CEO | KEVINB@SECPA.COM



KEVIN BRANDON

This month, Southeast Colorado Power Association (SECPA) implemented a rate increase for the first time since January 2015. This rate increase was necessary due to a wholesale rate increase from SECPA's supplier, as well as large increases in operating expenses over the last few years. While I recognize that any increase at all is hard for some folks to work into their budget, electricity remains a great value. For more info, check out www.secpa.com/rates-policies.

I was reading an article the other day on membersfirst.coop that was talking about the true value of electricity, and specifically, what can you get for a penny these days. I thought that was a really interesting concept, so I came up with a list using our new residential rate to see just what you could still get for only a penny.

- 8.3 hours of light using a 9-watt LED bulb (60-watt equivalent).
- 1 hour of watching TV on a 50" LED TV.
- 13.5 full charges of an iPhone.
- 1.5 hours of using a 12-inch table fan on high.

These are just a few examples of what you can do with just one penny on your electric bill. Compare that with what you can buy with a penny at the grocery store or gas station these days.

The average residential daily cost of electricity is now about \$4.95, and the average monthly electric bill for members of SECPA is about \$149. You could power your entire home for a day for the price of a hamburger or breakfast sandwich at most restaurants, or even a cup of coffee at a coffee shop. Now to me, that's real value.

Electricity provides benefits that we often take for granted. It goes well beyond short-term satisfaction by allowing us to charge devices and have cold food and hot water, all in a comfortable indoor climate. Besides the privilege it affords, electricity has also remained relatively cost-stable even amidst rising inflation.

As a member-owned cooperative, SECPA does everything in our power to ensure your costs stay reasonable and that electricity remains a great value for our members. It's not always easy, as there are several factors beyond inflation that impact the price of electricity — some within our control but most beyond it.

The cost of electricity can fluctuate due to supply and demand, infrastructure investment, maintenance and operational expenses. Weather patterns also contribute, affecting both demand and generation capabilities, with extreme conditions leading to heightened energy use or disruptions. Government policies, such as subsidies for renewable energy or taxes and regulations on emissions, shape electricity costs as well. Your electric co-op considers all these aspects when adjusting rates, and because we're a cooperative, we consider the impact of those costs on our members as well.

As our community continues to rely on electricity for nearly everything in our homes, schools, hospitals and businesses, we need it to be reliable and affordable. You can be assured, SECPA always puts you top of mind and works each day to ensure electricity remains the best value for your money.

Balance Sheet

Summary

SECPA assets continue to grow; SECPA's work plan includes roughly \$5,000,000 per year in system improvement projects.

Equity as a percent of assets is strong for SECPA. It was 59.13% at the end of 2023, up from 2022.

Strong performance allows for more significant capital credit retirements in the future.

Income Summary

Purchased Power is SECPA's largest expense; in 2023 it accounted for 58.4% of Total Operating Expenses. The decrease from 2022 is attributable to lower electric sales levels.

Operating Expenses were below 2022 levels, primarily due to lower electric sales as well.

Non-Operating margins were somewhat lower than 2022, but subsidiary income was higher in 2023 demonstrating sustained profitability. Net Margins in 2023, while lower than 2022, still demonstrated a strong financial position.

2023 AUDITED FINANCIALS

CONDENSED BALANCE SHEET

	2023	2022
ASSETS		
Total Utility Plant	\$ 134,111,505	\$ 129,124,465
Less: Accumulated Depr.	(\$ 60,951,552)	(\$ 58,755,110)
Net Utility Plant	\$ 74,007,698	\$ 70,369,355
Other Assets	\$ 34,062,672	\$ 34,265,206
Current Assets	\$ 5,999,214	\$ 6,342,556
TOTAL ASSETS	\$ 114,069,584	\$ 110,977,117
Member's Equity	\$ 67,453,314	\$ 65,394,540
Long-Term Debt	\$ 38,296,840	\$ 38,502,044
Current Liabilities	\$ 8,255,809	\$ 7,016,912
Other Liabilities	\$ 63,621	\$ 63,621
TOTAL LIABILITIES & MEMBER'S EQUITY	\$ 114,069,584	\$ 110,977,117

CONDENSED OPERATING STATEMENT

	2023	2022
OPERATING REVENUES		
	\$ 35,079,926	\$ 37,146,383
OPERATING EXPENSES		
Power Cost	\$ 19,691,118	\$ 21,920,918
Operations & Maintenance Expenses	\$ 5,530,034	\$ 4,901,002
Customer Expenses	\$ 885,192	\$ 819,823
Administrative & General Expenses	\$ 1,855,956	\$ 2,084,792
Depreciation	\$ 4,214,950	\$ 4,099,663
TOTAL OPERATING EXPENSES	\$ 33,720,094	\$ 35,187,321
MARGINS		
Margins from Operations	\$ 1,705,954	\$ 2,691,030
Non-Operating Margins	\$ 373,513	\$ 467,274
Capital Credits from Other Org	\$ 449,026	\$ 370,849
Subsidiary Income (Loss)	\$ 216,149	\$ 26,221
NET MARGINS	\$ 2,720,660	\$ 3,184,525

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ENERGY EFFICIENCY TIP OF THE MONTH

Placing heat sources, such as lamps, computers, or TVs, near your thermostat can result in false temperature readings, increased energy use, and inconsistent cooling/heating. Make sure your thermostat is installed in an area clear of obstructions, electronic devices, direct sunlight, and drafts. WIN*Joel Moffett acct 1451xx

Ensuring your thermostat is free from these types of interferences optimizes energy efficiency, improves indoor comfort, and reduces wear and tear on your HVAC system.

Source: energy.gov

Where Do You Find Value?

Did you know the average daily cost of electricity is \$4.57, or about \$140 per month?

Electricity fuels our daily life essentials — heating/cooling equipment, entertainment devices, and appliances. Think of how vital power is compared to other everyday purchases.

That's real value.



\$6
Morning To-Go Latte



\$10
Fast-Food Combo Lunch



<\$5
All-Day Power

Sources: Energy Information Administration, MoneyGeek and CNET



**SECPA WILL BE CLOSED ON
MONDAY, SEPTEMBER 2 FOR LABOR DAY.**



YOU COULD BE A WINNER THIS MONTH

If you find your name in this issue as follows (WIN* your name, your account number), please contact Southeast Colorado Power Association at 719-384-2551 or 800-332-8634 to receive a credit on your next power bill.

DORM SAFETY TIPS

It's the time of year when college campuses are preparing for students moving all of their worldly possessions into their home away from home - the dorm! While this is an exciting time for the students, it can be a nerve-wracking time for parents. Safe Electricity reminds parents and students to keep electrical safety in mind.

- Don't overload outlets, extension cords, or power strips.
- Use power strips with over current protectors. This will shut off the power if there is too much power being drawn.
- Only purchase and use electrical products tested for safety. Some common approved safety labels include UL, CSA, and MET.
- Keep all electrical appliances and cords safely away from bedding, curtains, papers, and other flammable material.
- Make sure outlets around sinks are equipped with ground fault circuit interrupters before use. If they are not, contact the resident assistant, campus housing staff, or landlord.
- Unplug small appliances when not in use and all electronics when away for extended periods.
- Always use microwave-safe containers. Glass, ceramic containers, and plastics labeled "microwave-safe" should always be used. Metal and aluminum foil can damage the microwave or start a fire. If the microwave is damaged in any way, do not use it.
- Never disable a smoke detector; and never ignore a fire alarm or assume it is a drill. Every time a fire alarm sounds, residents should calmly and quickly follow practiced procedures and immediately exit the building.

BACK-TO-SCHOOL SAFETY CROSSWORD PUZZLE

As you gear up for a new school year, remember to practice electrical safety in the classroom *and* at home. From powering electronic devices to spending time outdoors with friends, always play it safe around electricity.

Read the clues below to complete the crossword puzzle, then double check your answers in the key.



ACROSS:

- Never insert anything other than this into an electrical outlet.
- When outdoors, stay away from these big green boxes that lower electricity voltage.

DOWN

- Never play around these when you're outside; you can get hurt!
- Don't yank on a _____ when unplugging it. Instead, grab the base and pull from there.
- Always make sure your hands are _____ before plugging anything in.

ANSWER KEY

1. ACROSS: PLUG
 2. DOWN: CORD
 3. DOWN: DRY
 4. ACROSS: TRANSFORMER
 1. DOWN: POWERLINES