

Tri-State: wholesale rates unchanged

September 19, 2019 - By John Larson, El Defensor Chieftain staff writer

http://www.dchieftain.com/news/tri-state-wholesale-rates-unchanged/article_21f82d5c-da2d-11e9-931a-c7b442b24787.html

Tri-State Generation and Transmission Association announced last week that it will not be raising its wholesale rates in the coming year.

According to a press release from the Colorado-based power cooperative, “Tri-State wholesale rate to remain unchanged for its 43 member systems for third consecutive year.” The wholesale rate includes all of the services required for delivering power, including energy, capacity, ancillary services, transmission, and a wide range of other products and services.

Tri-State is the primary power supplier for Socorro Electric Cooperative.

The announcement also noted that expected operating costs also will remain flat for third year in a row, despite predicted 4.7 percent growth in member electricity for the same period.

Tri-State is subject to rate regulation by the Federal Energy Regulatory Commission, which will regulate Tri-State’s wholesale rate, similar to other wholesale power suppliers.

In addition to flat wholesale rates, as a cooperative, Tri-State returns capital to its member co-ops. The cooperative returned approximately \$30 million in patronage capital to its member cooperatives in 2018. Unique to the cooperative business model, each year Tri-State allocates equity to its members, which is the difference between operating income and expenses for the year.

“Our competitive wholesale rates, which include all the costs to deliver power, have remained flat for four years,” Tri-State Chairman Rick Gordon said. “This provides our member systems and their consumer-members with great certainty, and upholds our mission of providing a reliable, affordable and responsible supply of electricity, in accordance with cooperative principles.”

The 2020 Tri-State operating and capital construction budgets were approved September 4 by the Tri-State Board of Directors. Budgets and rates are set annually by the board, which represents the association’s member cooperatives and public power districts in Colorado, Nebraska, New Mexico and Wyoming.