



Holy Cross hiking price of power in the valley

Average household will see bill go up 5.5 percent
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GLENWOOD SPRINGS — Holy Cross Energy is boosting its electricity rates by about 5.5 percent for its average residential customers and 6.1 percent for commercial customers on July 1.

This is the company's first increase in the base rate of its power in six years, and it will be only the second increase since 1991. Nevertheless, the hike comes at a time when many of its customers are still struggling to bounce back from the recession.

Holy Cross itself is experiencing a hangover from the recession, said CEO Del Worley.

"We've seen very little growth in the last three years," Worley said. "We really have not hit our 2008 levels. Granted, 2008 was a very cold year and a high mark" for energy use.

Still, Worley said, no growth is unusual. Holy Cross has historically logged some growth year to year. That changed in 2010. The utility lost more customers than it gained, Worley said.

"The recession really has hit this area from an economic standpoint, at least from Holy Cross' perspective," he said.

In a recent newsletter to members of the cooperative, Worley cited increasing costs of providing service as another reason for increasing base rates. Holy Cross, headquartered in Glenwood Springs, doesn't need to get its rate hikes approved by the Colorado Public Utilities Commission. Its members voted to exempt it from PUC oversight on rates.

The electricity rate hike will hit consumers differently, depending on their usage patterns. In general terms, the rate hike will add \$2.75 per month and \$33 per year to a household with a \$50 monthly electric bill. It would add \$5.50 per month and \$66 per year to a household with a monthly bill of \$100.

Businesses will feel a greater sting because many of them consume more electricity.

"It's going to have a substantial financial impact on the Aspen Skiing Company," said Auden Schendler, the Skico's vice president of sustainability.

The Skico consumes a lot of energy for snowmaking and powering its chairlifts. The amount varies per year, but Schendler said electricity bills are roughly \$2.5 million annually. The price hike could increase that bill by hundreds of thousands of dollars, he said.

However, Schendler stressed the Skico and Holy Cross are working cooperatively on rate and demand issues, and that he wasn't being critical of the rate increases.

Holy Cross Energy was founded in 1939. It remains a member-owned, not-for-profit utility. It serves about 55,000 customers in the Pitkin, Eagle and Garfield counties, including major portions of the Roaring Fork Valley. Part of the Aspen-area is served by Holy Cross but the city also has its own electrical utility.

Holy Cross provides its members with equity checks or credits when its annual revenues exceed its operating expenses. The company made about \$1.8 million in member equity distributions in May. The flat sales and

increased operating costs are expected to cut into the excess funds. The utility's use of renewable energy sources wasn't cited in the newsletter as a contributing factor to the rate increases.

The website for Holy Cross said 63 percent of its power supply mix comes from coal, 25 percent from natural gas and 12 percent from renewables. It is voluntarily shooting to boost its mix of renewables to 20 percent by 2015. However, one of its biggest investments in recent years was in the coal-fired Comanche 3 plant in Pueblo. Holy Cross acquired an 8 percent ownership interest in that plant. It is expected to provide about 33 percent of the power Holy Cross purchases annually.

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