

Midwest Energy, Inc. Current Comments

November 2022

Making energy work for YOU

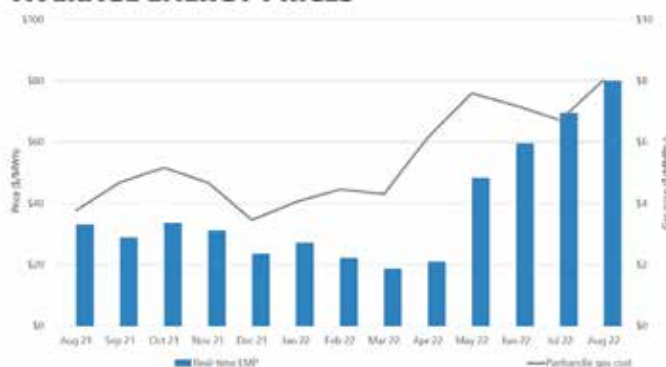
Natural Gas Market Prices Raising Energy Bills

Midwest Energy is advising its customers that electric and natural gas bills could be markedly higher going forward, due to sustained higher wholesale natural gas market prices.

On electric bills, the increase in gas prices will be noticeable through the Energy Cost Adjustment (ECA). The ECA is a pass-through cost or credit on consumers' electric bills, used to recover variable energy costs including fuel, market energy purchases, and other energy-related variable operating costs. Midwest Energy adjusts its ECA quarterly, based on increases or decreases in the cost of buying energy from the regional energy market, purchased capacity and energy, and in the price of fuel utilized to power Midwest Energy-owned generation resources.

Beginning in October, for the first time in several years, Midwest Energy electric customers will see an ECA charge as opposed to an ECA credit on their electric bills. The ECA for October-December 2022 is \$.005 per kilowatt hour (kWh); by comparison, the ECA for the same period in

AVERAGE ENERGY PRICES



This chart shows the relationship between gas prices (gray line) and the real-time market prices (blue bars) of electricity. As gas is being used to generate more electricity, the price of both has risen.

2020 was \$-.006.

"When looking at natural gas prices, we're still well below 2008's highs, but higher than normal," said Patrick Parke, Midwest Energy's Chief Executive Officer. **Continued**

Carbon Monoxide Detector Saves Her Life Twice Midwest Customer Experiences Back-to-Back Carbon Monoxide Incidents

Carbon Monoxide is a colorless, odorless gas that can be deadly. Kate Macy, a Midwest customer in Scott City, was reminded of the importance of CO detectors after having two CO incidents in the same month.

"I might not be here today if I didn't have a CO detector," Macy said. "Last January, when we had the big cold snap, I woke up one morning to the high-pitched beeping of my carbon monoxide alarm."

Her first reaction was to shut the detector off, but she decided to call TJ Vallejo, Journeyman Gas Maintenance at Scott City, to come and look.

Vallejo helped her get out of the house and then went back in to find the source of the leak.

"The heat exchanger had cracked at the back where condensation had pooled up, and it was a 16-year-old furnace," Vallejo said.

The furnace was replaced. But three weeks later, the CO alarm went off again. Macy called TJ and as soon as he walked into the house, he detected 70 parts per million CO.

"Anything over zero isn't a good thing," Vallejo said. "I checked the furnace, and it was fine. The moment I walked into the garage, it was 500 parts per million."

Macy kept her car key fob in the car and with the cold temperatures, the car's remote start malfunctioned. **Continued**



Kate Macy



TJ Vallejo



MidwestEnergy

Natural Gas Market Prices Raising Electric Bills

"The U.S. is producing about 70 percent more gas than in 2008, but natural gas is fueling about 80 percent more electric generation over the same period," Parke said. "Additionally, we now have a growing demand for liquified gas exports that was non-existent until 2016," he added.

Parke noted that so far, gas prices are projected to stay high through the winter, and that Midwest Energy does not mark up the costs of electricity purchased on the wholesale market. The delivery charge for electricity is fixed in the co-op's tariffs, and recovery from any cost fluctuations in the electricity market come through the ECA.

Gas Bills Also Impacted

For Midwest Energy's natural gas customers, the cost of gas is recovered through the Cost of Gas Commodity on bills, which is set each month based on the cost of gas in the previous month and includes both the natural gas and interstate pipeline charges, plus any adders. Currently, there's a 14.3¢ per-therm adder for February 2021's Winter Storm Uri, though it's expected that will end in Summer 2023.

The cost of gas has increased sig-

nificantly in the last 12 months. In October 2021, Midwest Energy's Cost of Gas Commodity was \$.654 per therm, while for October 2022 that had increased to \$1.076 per therm, a 64 percent increase.

Parke noted that doesn't mean gas bills will be 64 percent higher, as gas commodity cost is just one of four factors that go into the gas bill. Two other components of the bill - the customer charge and the delivery charge - remain unchanged. A third, the Gas Cost of Service Rider, adjusts annually when changes in the cost of service warrant. As with electricity, Midwest Energy does not mark up the cost of natural gas purchased on the wholesale market; rather, that cost appears as a commodity charge on a customer's monthly gas bill.

"We want to be transparent with our customers as to why energy prices are higher, but the bottom line is we don't know how long these higher wholesale costs will remain, or if they become the norm going forward," Parke said.

Preparing for Higher Bills

The simplest way to lower electric

or natural gas bills is to use less of each. That can mean raising your home's thermostat a few degrees on warm days, or lowering it a few degrees on cool ones. Other simple steps you can take to save include switching from incandescent light bulbs to LED bulbs, and slightly lowering the temperature setting on gas or electric water heaters. Also, sealing gaps around doors and windows will help keep warm air out in the summer, and keep warm air in during the winter.

Lastly, customers who need assistance paying their energy bills might qualify for programs such as Kansas' Low Income Energy Assistance Program (LIEAP), administered by the Kansas Department of Children and Families (DCF), or through Midwest Customers Care, administered by the Salvation Army. To learn more about LIEAP, contact DCF at 1-800-432-0043. To learn more about Customers Care, visit www.mwenergy.com > Community > Bill Assistance, or call 1-800-222-3121.

CO Detector Saves a Life Twice

and had begun starting on its own. The garage door was closed, and CO started to build up and leak under the door into the kitchen.

"I've been here 22 years and every CO situation is different," Vallejo said.

"Every situation, I treat it like it's my house, because I want those people to have the same peace of mind that I do," he said.

Carbon Monoxide is called the silent killer for a reason. Vallejo said it's easy

to fall asleep inhaling Carbon Monoxide and simply not wake up again. Macy never even noticed anything amiss either time CO filled her home. Her only indication of trouble was her CO detector.

"I can't stress enough how important those CO detectors are," Vallejo said. "Yes, it's a small investment - about \$20 - but what's a life worth?"

Energy Efficiency Tip of the Month

Is your home heating system ready for the winter chill? One of the easiest ways to keep your system running efficiently is to regularly replace filters. If your central air system has a furnace filter, it should be replaced about every 90 days.

If your home is heated through warm-air registers, baseboard heaters or radiators, remember to clean them regularly to boost efficiency.

Source: energy.gov

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