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FOR IMMEDIATE RELEASE

GRAND VALLEY POWER MEMBERS HIT WITH \$2.37 MILLION BILL BY XCEL ENERGY

Cooperative members to see electric bill increase following Winter Storm Uri

GRAND JUNCTION, COLO. – (March 31, 2021) --- Grand Valley Power, a consumer-owned electric cooperative serving over 18,000 members in Western Colorado, recently saw an additional \$2.37 million tacked onto its monthly power bill by wholesale electric supplier Xcel Energy. The action follows Winter Storm Uri, which blanketed the central United States in mid-February and triggered a tightening of the market for natural gas, which is relied upon by energy providers to generate electricity. The price of natural gas shot up to unprecedented levels and was 100 times greater than normal when Xcel purchased natural gas to meet customer demand.

On March 1, 2021, Xcel notified GVP to expect significantly high fuel costs because of the recent storm. “Unfortunately, during the cold snap, Xcel gave us no indication that we would suffer any adverse impacts due to their management of gas procurement. Our power supply was never curtailed, and we never received any messages advising us to encourage our consumers to conserve energy usage because of tightening power or fuel supplies,” stated Grand Valley Power Chief Executive Officer, Tom Walch. Under its contract with Grand Valley Power, Xcel typically recovers its costs based upon formula rates and fuel cost adjustments. Grand Valley Power’s retail rate structure passes these Xcel power costs on to its consumers without markup.

“The fuel cost adjustment, or FCA, that Xcel tacked onto our wholesale power bill for February was twenty times higher than the largest such adjustment ever billed. It doubles the power bill for the month, and it would have been difficult for many consumers to pay all at once. To help our consumers, we will spread this cost over the next twelve months. The average GVP residential consumer will see a \$7.81 increase on their electric bill,” stated Walch.

As a regulated utility Xcel has the right to ask consumers to pay its extra fuel costs. Xcel initially planned to charge the average retail customer in Colorado \$264 over the next two years to cover its Presidents Day weekend fuel bill. But facing pressure from Governor Jared Polis, Xcel voluntarily agreed not to use fuel cost riders for its retail customers. Instead, it will participate in proceedings at the Colorado Public Utilities Commission (CPUC) where it will ask for approval to pass these costs through to retail customers.

GVP’s contract with Xcel does not fall under the jurisdiction of the CPUC. Instead, it is regulated by the Federal Energy Regulatory Commission (FERC).



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“Grand Valley Power’s management team has joined with representatives of other Xcel wholesale customers to investigate and analyze the circumstances giving rise to this February FCA fiasco. We are doing everything in our power to reduce the financial impact that will be felt by all Grand Valley Power members,” stated Walch. “Going forward, everyone on the Grand Valley Power team understands that our members expect and deserve a reliable, affordable source of electric energy. If we can’t get that out of our relationship with Xcel, we will look seriously at other alternatives.”

Members of Grand Valley Power will receive a letter in the mail early April detailing impacts on their individual accounts. The increased fuel costs will first appear on April bills and will remain until paid in full. Members can visit gvp.org/FCA for details on the expected increases and more detailed information. Any member who has billing concerns can contact the GVP office at 970-242-0040 and speak with a billing representative.

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About Grand Valley Power

Organized in 1936, Grand Valley Power is the first rural not-for-profit electric cooperative in Colorado. Serving over 18,000 customers within the Mesa County area, Grand Valley Power is dedicated to empowering lives with hometown service with safe, affordable, reliable electricity. For more information, visit gvp.org or follow us on [Facebook](#) and [Twitter](#).