

Sun River Electric Cooperative

A Touchstone Energy® Cooperative 



Office Hours: 8 a.m. to 4:30 p.m. Mon.-Fri.
Phone Numbers: 406-467-2526 or 1-800-452-7516

Website: www.sunriverelectric.coop

After Hours & Weekend Dispatch:
406-467-2526 or 1-800-452-7516

If calling from a local number or cell phone –
please use: 406-467-2526 or 406-467-2527

Be sure to check your breakers before reporting outages.

Ripples

DECEMBER 2025

Rate increase settles at 4.75%

Column by **BRAD BAUMAN** | Manager

THE rate increase in 2026 will be 4.75 percent. This is slightly below the 5 percent that has been suggested by me for the last year in my communications with you, the member/owners.



The first question is how we got to this level of increase. In my column last month, I spent a considerable amount of time explaining the cost increases that we are experiencing as a cooperative in wholesale costs, material costs and operating costs. All of these are real, and when projected into our budget suggested we should raise the rate by 6.5 percent to allow for a margin that solves the financial commitments of the cooperative.

The second question then is how we

settled on 4.75 percent. The margins for 2025 look to be strong enough that moving a portion of these margins into 2026 for rate stabilization will allow us to use the smaller percent increase. This is allowed by the IRS under ASC 980-405-25-1, which allows, "a regulated entity to recognize a regulatory liability for revenues collected in advance if it is probable that such revenues will be returned to customers through future rate reductions or refunds. This is premised on the principle and the regulatory compact between the utility and its regulator." In our case, the regulator is your board of trustees that are elected by you, the member/owners. In 2024, the board and senior management team could see that higher wholesale costs were coming. In anticipation of this, the board suggested a little stronger rate adjustment in 2025 to accommodate

this increase. The utility performance met the budgeted expense projections, and thus allows for this transfer of \$500,000 into 2026. The term for this transfer is "revenue deferral" and it is an accounting tool that is new to our cooperative, but has been used by others previously. This transfer can only be used for two situations: one – rate stabilization, and two – for an operating and maintenance project that was planned and not completed in the year the resources were collected and not used, such as vegetation management.

Rate increases are not news that any of us like to receive. Being able to minimize the increase does make the conversation a little less stressful. Your management team and board of trustees will continue to do our best to keep your service reliable and affordable as

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HIDDEN NUMBER

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APPLIANCE REBATES

Remember that SREC has appliance and water-heater rebates. Go to www.sunriverelectric.coop for details.

RATES

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we perform our duties of service to you. Thank you for your trust and support.

As we look to 2026, let us pray that we get strong moisture during the winter. Our area needs a couple of "tough" winters to help us get the water levels replenished in our mountains and reservoirs. Water has become the

liquid gold in our region so please Lord bless us with a large supply.

May 2026 be good to all of you, and thanks again for supporting your cooperative in the way that you do. BM

REMINDER:
Bills not paid by the 10th of the month will be charged a \$10 late fee.



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MERRY CHRISTMAS

AND HAPPY NEW YEAR

FROM OUR SUN RIVER ELECTRIC COOPERATIVE
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