



33540 Loop Road
PO Box 247
Kirkwood, CA 95646
(209) 258-4444
kmpud.com

Special Notice

Customer Name
Customer Address

Kirkwood Address

April 4, 2026

Dear *FIRST NAME*,

KMPUD reviews utility rates every five years to make sure that revenues are aligned with costs and costs are equitable across all customers. The current electric utility rates are under review. Revisions to the rates will take effect starting July 1, 2026. The purpose of this letter is to inform you of the proposed changes, illustrate how the changes will affect your costs of electricity, and encourage you to provide comments to the Board. There will be a public hearing on Friday, May 1 at 2PM where you can learn more and provide comments in person.

The cost of providing electricity in Kirkwood is exceptionally high due to the high fixed costs/debt service of the electric transmission and distribution system. The District operates on Fiscal Year (FY) from July 1 to June 30. The table below shows the total expenses, sales and District cost/KWH for FY 2019 and FY 2024:

	FY 2019-2020	FY 2024-2025
Total Expenses	\$4,770,000	\$5,450,000
Sales kilowatt hours (KWH)	6,280,000	7,190,000
District cost/KWH	\$0.76	\$0.76

Over a 5-year period, the District was able to keep the average cost of power the same. This was possible because the District was able to pay off a portion of the debt and customers increased their use of electricity. The previous electric rate study in 2021 separated the fixed costs and the usage cost (that is, the cost per KWH) and allocated 85% of the fixed costs to a fixed monthly base rate that every customer pays - whether you use any power or not. This provided financial stability to handle low snow years and changes related to Covid. It also made it affordable for customers to increase electric usage over their historic average since additional KWH were \$0.24 instead of the previous rate of \$0.76.

The method used to allocate the fixed costs per resident benefited customers who increased their usage over time but disadvantaged customers who reduced their usage. The main goals of the current rate study are to more equitably allocate the fixed costs, and to lower the usage cost for existing customers and encourage higher usage such as electric heat pumps, electric vehicle charging and new housing.

Proposed Changes

The components of electricity rates are (1) Usage rate/KWH, (2) Base rate/EDU, and (3) Meter charge. The proposed changes are:

Component	Current Charge	Proposed Charge
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Usage	\$0.24/KWH	\$0.21/KWH
Base rate	\$121.62/EDU	\$126.43/EDU
Meter charge	\$3.59/Meter	\$4.30/Meter

The District is able to propose a lower Usage Rate due to more favorable wholesale costs of power, KMPUD qualified for access to Western Area Power Administration power (<https://www.wapa.gov/>), and a Board decision to limit the purchase of Renewable Energy Credits (RECs) to the minimum required by the California Renewable Portfolio Standard (55% - 60% of sales). The changes in base rate and meter charges are due to the increase in labor and material costs.

The Board is proposing changing how the fixed monthly base rate charges are allocated across residential customers. The current unit of charge is called an "Equivalent Dwelling Unit" or EDU. In the 2021 rate study, the EDU allocation was designed with two goals in mind: (1) every customer should contribute to the fixed costs as they benefit from the ability to draw power - whether the use power or not, and (2) have each customer's annual cost be close to the same as it was before the rate change. To accomplish these two goals, an EDU was based on the average monthly power consumption across all residences which was 230 KWH/month. This resulted in 2617.4 EDUs allocated across 772 meters based on average usage over three years broken down as follows: Residential: 771.8 Commercial: 1,789.2

Of the 99 Commercial meters, only 1 changed ownership and there were no new connections. Residential, however, had 160 ownership changes and 7 new residences resulting in a number of inequities in allocations of EDU among residences.

The Board is proposing changing the residential EDUs. Instead of being based on usage, it would be a fixed amount ...

1A Text: ... based on the type of residence and the square footage.

1B Text: ... of 1.16 EDU/residence.

There is an additional charge of 0.5 EDU per 200 amps for a electric panel in excess of 200 amps. The total number of EDUs for residences remains the same - it is only the allocation that has changed. The revised allocation of EDUs for residential customers will be phased in 25% each July 1 over the next three years.

The allocation of Commercial EDU across meters will remain unchanged. New Commercial connections will be based on a capacity calculation that will be presented at the May Public Hearing.

Impact on your Monthly Cost

The table below shows the current and proposed charges for your location at *Kirkwood Address*. The average monthly usage is based on your recent average actual usage.

FY	Prior Year Base Charge	Proposed Monthly Base Charge*	Average Monthly Usage	Current Monthly Usage Charge	Proposed Monthly Usage Charge*
2026/2027	\$60.81	\$84.08	325	\$78.00	\$68.25
2027/2028	\$84.08	\$104.94	325	\$78.00	\$68.25
2028/2029	\$104.94	\$125.80	325	\$78.00	\$68.25
2029/2030	\$125.80	\$146.66	325	\$78.00	\$68.25
2030/2031	\$146.66	\$146.66	325	\$78.00	\$68.25

* Portions of the Base Charge and Usage Charge are subject to annual CPI increase. Note that there is an additional \$0.71/month increase in the charge per meter. Changes to residential EDUs are phased in 25% per year.

The District encourages you to learn more about the proposed rate study. You can find more information at **URL** which includes links to board presentations, the previous rate study and other useful information. Please consider attending and/or providing comments at the Public Hearing on May 1 at 2PM. You can attend in person at the District office or participate remotely at **URL**.

Sincerely,

Kirkwood Meadows Public Utility District
(209) 258-4444