

Rate change is necessary to continue serving members

Increases in costs to buy equipment, provide reliable service can no longer be absorbed

Rate Increase...not something I wanted to bring to you my first year as manager. When I spoke to you at the annual meeting, I said we were working with our consultants to determine the lowest cost of rates needed to maintain our electric system. I'm back with answers on that. The rate increase needed is 8.8%.

As a West Central Electric member, you are accustomed to hearing it straight when it comes to how your cooperative operates. We run lean; therefore, there aren't many places to cut.

Since our last rate increase in 2021, costs for much of the materials we buy (transformers, meters, poles, etc.) have nearly doubled. Our cost of power alone is projected to increase by over \$2,300,000. These are things out of our control. We have cut where we are able, and we run as efficiently as possible. However, we cannot absorb the power cost increase without a rate increase.

This is something that we take very seriously, and something that weighs heavy on our minds. We have a responsibility to you and your families, and that is to provide safe, reliable, and affordable power. In order to provide reliable power, we must continue to trim trees that get into our lines causing power outages, and we also must continue to invest in your electric plant so that we can maintain proper voltages as member electric demand increases.

When we make decisions like this, we make decisions that affect all of us. Your entire board of directors and most of the management team at West Central Electric live on our lines; therefore, this affects us, our neighbors, and friends. When I drive home in the evenings, I am proud to see the lights on for all my neighbors and their families. This is something your board of directors and WCE employees share. We will make sure that when you flip a switch, your lights come on.

Even though we can no longer avoid an increase, we are still able to keep our rates lower and our reliability higher than many other electric utilities. That is why you have entrusted us as your cooperative, and we take that trust seriously.

Thank you for trusting us to continue to provide you with the safest and most reliable service at the lowest cost possible.



Michael Newland

GENERAL MANAGER

WCE board announces rate change

New residential and commercial rates will take effect in April

As costs associated with providing electric service have continued to increase over the past few years with no real end in sight, West Central Electric's board of directors has determined that a rate increase is necessary to ensure stability of the cooperative's finances into the near future. New rates will take effect in April.

"Although the increase is necessary to continue to provide reliable service, because we are not a profit-driven company, any margins we do make are returned to our members," Newland said. "For that reason, we do everything we can to control expenses and still maintain quality

service to you."

The change amounts to a total overall revenue increase for the cooperative of 8.8 percent. The new residential rate will see charges for the first 800 kWh set at \$0.1049 (up from \$0.096) and over 800 kWh at a reduced rate of \$0.0884 (up from \$0.0795.) The service availability charge will increase \$0.05 to \$1.37 per day.

The new commercial three-phase monthly rate will be \$0.0878 (up from \$0.0798) for all kWh. The service availability charge will increase from \$2.24 per day to \$2.34 per day.

The commercial and industrial large power monthly rate will be \$0.0531 (up from \$0.0472) for all kWh. Demand stays the same at \$11.60, and service availability increases from \$4.79 per day to \$5.00 per day.

Increases in dusk-to-dawn (\$9.20 to \$9.90) and street lights (\$14.20 to \$14.90) per month will round out the increases.

These decisions follow a cost-of-service study done late last year to determine what the cooperative needs to continue to provide members with reliable electric service.

"The board and management take a rate increase very seriously, and we are constantly looking for ways to be more efficient and keep expenses down." Newland said.

Residential members who use 1,500 kWh per month can expect a monthly increase of \$14.87. Residential members whose usage is 3,000 kWh per month can expect a monthly increase of \$28.22.

WCE last increased rates in 2021, and the cooperative is far from alone in addressing the issue of increasing rates to cover costs of providing members with reliable electric service.

"Cooperatives around the state and nation have been experiencing this same dilemma over the past few years," Newland said. "Some cooperatives have had to raise rates sooner than others, and fortunately, we have been able to absorb costs for a little longer than some before having to pass them along to our members."

WCE Rate Schedule (Monthly Electric Rates effective April 2024)

Residential 101 Rate

Service Availability Charge @ \$1.37 per day
First 800 kWh @ \$0.1049 Excess kWh @ \$0.0884

Commercial Three-phase 503 Rate

Service Availability Charge @ \$2.34 per day
All kWh @ \$0.0878

Commercial & Industrial Large Power Rate

Service Availability Charge @ \$5.00 per day
All Kw Billing Demand @ \$11.60
All kWh @ \$0.0531

Lighting

Dusk-to-Dawn @ \$9.90 per month
Street Lights @ \$14.90 per month

Sample Residential Monthly Bill Increase:

	<u>1,500 kWh per month usage</u>	<u>3,000 kWh per month usage</u>
Current bill:	\$172.60	Current bill: \$291.85
New bill:	<u>\$187.47</u>	New bill: <u>\$320.07</u>
Difference:	\$14.87	Difference: \$28.22
Increase:	8.6%	Increase: 9.7%