Your Touchstone Energy® Cooperative

Egyptian Electric News

1732 Finney Road • Murphysboro, IL 62966 • 800-606-1505 • eeca.coop

APRIL 2023

Rate changes and increase

These past few years we have seen unlikely and unpredictable outcomes associated with the cost of market power, the disruption of power supply, and the increased interest rates and prices of materials. This has not only affected the utility industry but affected costs to us all in every aspect of the cost of living.

In 2020, we were able to decrease our overall rates by 1.5%, and in 2021 an additional 2%, for a total of a 3.5% rate decrease. To date, rates have not been changed since, but instead we have absorbed these additional costs and added what we could not into the Power Cost Adjustment (PCA) on your monthly bill. **14-18-0009** Year-end numbers showed us that our costs were up 10% and revenue was down 5%.

We are fortunate that our participation in cooperative-based wholesale power allows for us to have the reliability in power supply and moderately in price. This business model has protected us from immediate fluctuations in the energy market and sheltered us from raising rates last summer when the energy market prices spiked. Southern Illinois Power Cooperative (SIPC), our wholesale provider, makes up 66% of our costs. That leaves 34% to cover depreciation, interest, taxes, operations, maintenance, administration and other general costs.

Due to economic factors and their increased costs such as natural gas and coal, they implemented an immediate 4% increase to us in January. This is why January usage/February bills experienced an uptick in the PCA on consumer-member bills.

From 2019 to 2023, we have witnessed nearly a doubling of everyday construction materials and fuel costs. Wire to build one mile of single-phase line, including a typical single-phase aluminum wire with neutral, in 2019 that would have cost $1,650, today is over $3,200. Pad-mounted transformers have seen not only a 70-100% increase in costs, but require three times longer lead time, making them less attainable.

Materials	2019	2023	Units
#2 ACSR (conductor)	$0.15	$0.29	/foot
35' Pole	$221	$419	/pole
25kVA transformer	$1,342	$2,275	/transformer
Diesel Fuel	$2.94	$4.27	/gallon

As a result, the board has authorized rate changes across the board effective March 1st (March usage/April billing). These rate changes will not only gradually increase rates through the end of the year, but different "buckets," as we'll call them, have been added, with costs shifted to most appropriately begin to align our true costs. By implementing these changes, it better prepares us to more accurately bill our membership over time.

To date in the 2023 calendar, we have already implemented a 4.7% increase through the PCA. Rates will be restructured to recapture another 4.4% across the remainder of the year. We are anticipating the residential rate to have increased 9.1% by year end. **52-19-0007** Once new rates are executed, the PCA will begin as negative (credit) and will taper off towards zero towards the end of the year.

A 9.1% increase for a high-end residential consumer could equate to an additional $30/month this year and for a lower-end consumer an additional $10/month.

This is still our best estimate based on cost-of-service studies we have conducted, but with the majority of our costs coming from our wholesale provider and energy sales being weather dependent, these numbers are subject to change. Rates will realign from February usage/March bills to March usage/April bills but with minimal overall cost impact.

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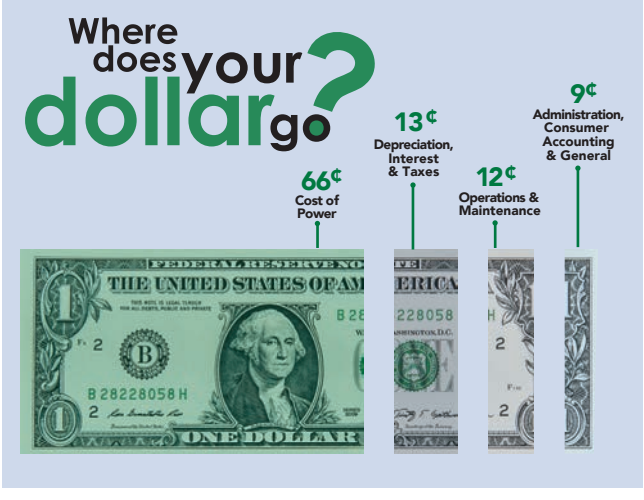

Egyptian Electric Cooperative Association
Your Touchstone Energy® Cooperative

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Murphysboro, IL 62966

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800-606-1505

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Office hours 8 a.m. – 4:00 p.m. M-F
www.eeca.coop

Board of Directors

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Kevin Liefer, Vice-President
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Kevin Bame
Mary Jo Homan
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- At our office lobby, drive-thru, drop-box, or payment kiosk
- Mail to: 1732 Finney Road, Murphysboro, IL 62966
- Set up recurring bank draft or credit card payments
- Use SmartHub portal, online or mobile app
- By phone at (844) 759-3977, using credit card or checking account
- Off-site kiosks located at 2301 N Reed Station Pkwy and 1815 W Main in Carbondale

"Rate changes" continued from 18A

Usage Month	Billed Month	Energy Charge (/kWh)	Power Cost Adjustment (/kWh)	Delivery Charge (/kWh)	Delivery Cost Adjustment (/kWh)	Bundled Energy Cost (/kWh)
FEB	MAR	$0.03630	$0.01400	$0.06920	$0.00000	$0.11950
MAR	APR	$0.08950	-$0.00540	$0.03050	$0.00500	$0.11960

General Service Rate Schedule A

New rate changes don't just include differing costs, but additional unbundling of the bill. In January of 2021, we revised our billing format so you could easily see what you pay, such as electric supply and residential distribution delivery charge, in an unbundled manner, along with the Power Cost Adjustment (PCA), which has always been a standalone charge or credit per policy to address fluctuating costs.

The Delivery Cost Adjustment (DCA) will be an offshoot of, or a portion of, the PCA line item. The PCA is currently associated with only the electric supply of power and not the delivered energy. Adding this line allows us to equitably attribute these variable costs to which charge they belong.

This past summer we discussed that the perceived scarcity of power capacity in early 2022 drove up energy market pricing, signaling the potential for rolling blackouts that would be caused by a peak usage event. This experience has expedited our wanting to manage load more effectively as a cooperative to lower our overall demand on the grid. Potentially needing less capacity would position us to better manage these events as well as allow us to pay less money to our power supplier.

A Residential Demand line was added onto the bill earlier this year with no costs. Our bill from our power supplier includes two lines – energy (kilowatt-hour, kWh) and demand (kilowatt, kW). Power cost on a large scale aligns heavily with the demand placed on the system and the time at which it occurs. Our goal has always been, and continues to be, to best recapture costs needed to operate our business at the lowest cost possible. This year the Residential Demand will have an associated charge of $0.10/kW.

Another change implemented is breaking apart the service availability charge into two pieces – Service Availability and Metering Charges, and into a daily charge opposed to monthly. Our cost-of-service studies are broken apart similarly but there will be no change in cost. The previous $38.50 overall cost remains relatively the same but is calculated differently. The service availability was broken into a $1.075/day charge, so for a 30-day month this would be $32.25/month; the metering charge was broken into a $0.191/day charge, or a $5.73/month charge – for a total of $37.98, or $39.25 for 31-day months. This was done to level the flat charges over unequal months and to standardize prepay and partial month billing practices, which is already being manually calculated in days.

Below is each charge listed on the bill with the explanation of that charge.

DISTRIBUTION DELIVERY CHARGES

- Service Availability Charge – Recurring fixed flat daily charge that recovers a portion of our fixed cost of providing electricity and distribution structures (such as wires and transformers outside of metering) to your home or business, regardless of usage.
- Metering Charge – Recurring fixed flat daily charge that recovers our cost to provide metering services to your home or business. This was previously included in the Service Availability Charge.

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"Rate changes" continued from 18B

- Delivery Charge – A variable charge based on usage, kilowatt-hours (kWhs), consumed during the billing period, multiplied by the rate. This reflects EECA costs related to right-of-way clearance, line maintenance, billing, accounting, fleet and other cooperative expenses incurred.
- Delivery Cost Adjustment (DCA) – Reflects the fluctuating increases and/or decreases in the EECA distribution and delivery costs (such as inflationary and supply chain costs) each month.

ELECTRIC SUPPLY CHARGES

- Energy Charge (kWh) – the production and transmission cost of kilowatt hours consumed from our wholesale power supplier, Southern Illinois Power Cooperative (SIPC), for the billing period.
- Demand Charges (kW) – The highest peaked kilowatt (kW) reading captured and reported during the billing period. The kW is then multiplied by the demand rate(s). Demand is not a cumulative charge, but is a measurement of the maximum amount of power required during any one (1) 15-minute interval within our billing period, measured in kilowatts (kW). Simply put, demand measures your impact on our electric distribution system to deliver that power.
- Power Cost Adjustment (PCA) – Reflects the fluctuating increases and/or decreases in the wholesale power purchased each month.

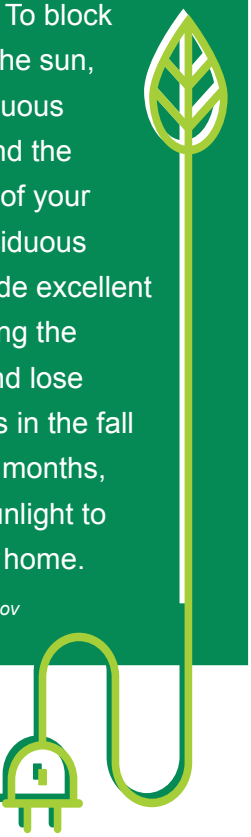
We understand the smallest of rate increases affect our member-consumers, and some more substantially than others. We are always happy to make accommodations when life happens; contact our office in these instances. We have implemented many different ways to pay – including some coming changes in relocating our Sparta kiosk to the Neighborhood Grocery Co-op on the west side of Carbondale. We will also be launching Vanilla Direct this spring, which allows you to make payment by scanning your bill stub at any Dollar General, Walgreens, CVS or Walmart locations for a nominal third-party fee. We also offer energy audits in efforts for you to increase efficiency, eliminate energy waste and utilize less energy. We also offer budget billing that can help better budget your monthly expenses. Our new rates can be found on our website at eeca.coop.

As a cooperative that is owned by the membership, we are obligated to pass through the costs needed to meet our debt requirements to protect the cooperative. We do not seek to earn profits for investors, and we are built and managed by the communities we serve. Please remember, any profits made this year, as all other years, will be allocated back to our membership each year to be paid in patronage capital in future years to come. Our mission remains the same – to always strive to provide you with safe and reliable service at a reasonable cost.

Energy Efficiency Tip of the Month

This planting season, include energy efficiency in your landscaping plans. Adding shade trees around your home can reduce surrounding air temperatures as much as 6 degrees. To block heat from the sun, plant deciduous trees around the south side of your home. Deciduous trees provide excellent shade during the summer and lose their leaves in the fall and winter months, allowing sunlight to warm your home.

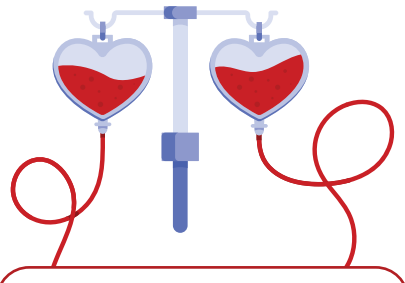
Source: energy.gov



ACCEPTING APPLICATIONS

Egyptian Electric Cooperative Association
OPERATION ROUND UP
eeca.coop/roundup

Applications are continuously being accepted to our Operation Round Up Charitable Fund at **eeca.coop/applytoroundup**. Consider supporting our Operation Round Up effort by signing up to participate by rounding up your bill to the nearest dollar at **eeca.coop/roundup**.



Blood Drive

Tuesday, April 18, 2023
EECA headquarters
10 a.m. – 3 p.m.
Register at redcross.org

Lineworker Appreciation Day April 10

Electric lineworkers provide an essential service: They install and maintain overhead and underground power lines that keep electricity flowing. These specialized workers are on call 24/7 in case severe storms or other circumstances cause the power to go out.

Lineworkers work with high-voltage electricity, often at great heights, in all kinds of weather conditions. Maintaining the power grid is physically demanding. To become proficient, lineworkers go through an intensive technical training program and first learn on the job as apprentices under the careful eye of seasoned lineworkers who have earned journeyman status.

Electric power line installers and repairers held approximately 126,600 jobs in 2021, according to the U.S. Bureau of Labor Statistics (BLS). Nearly half of these employees worked for electric power generation, transmission and distribution utilities.

Safety comes first

Lineworkers spend numerous hours in safety training each year and must understand and apply crucial safety regulations.

Protective clothing is required to shield lineworkers since they work around high voltages. Collectively, gear components can weigh up to 45 pounds. According to the U.S. BLS, electric power line installers and repairers typically:

- Install, maintain or repair the power lines that move electricity overhead and underground.
- Identify defective devices, voltage regulators, transformers and switches.
- Inspect and test power lines and auxiliary equipment.
- String (install) power lines between poles, structures and buildings.
- Climb poles and transmission towers and use truck-mounted buckets to access equipment.
- Operate power equipment when installing and repairing poles and lines.
- Know and implement safety standards and procedures.

When a problem is reported, lineworkers must identify the cause and fix it. This usually involves diagnostic testing using specialized equipment and repair work. **24-16-0011** To work on poles, they usually use bucket trucks to raise themselves to the top of the structure, although all lineworkers must be adept at climbing poles when necessary. Workers use specialized safety equipment to keep them from falling when climbing.

Storms and other natural disasters can cause extensive damage to the grid and power system. When power is lost, line repairers must work safely and efficiently to restore service. We salute our lineworkers this day and all days, who work around the clock to keep the power on. Their safety, as well as yours, is our top priority.

MEMBER PRIZES

Every month we will have three map location numbers hidden throughout our Egyptian Electric News section. If you find your location number, that corresponds to the one on your bill, call our office and identify yourself and the page that it is on and you will win a $10 credit on your next electric bill.