

From the Manager's Desk

April 1st rate adjustment



*Todd Grotts
General Manager
WIEC*

As an electric co-op we do not seek to earn profits from investors: we were built by the communities we serve, and our mission remains, as always, to provide you with safe and reliable service at a reasonable cost. We set our rates to recover costs. The costs of general supplies, materials and services have continued to rise. In addition, our wholesale power costs will also increase in 2026.

The rate adjustments will appear on your May 2026 billing statement, which collect for your April usage. Every year WIEC prepares a budget for board approval. Sometimes it is necessary for a rate adjustment in order to meet our revenue requirement to pay our bills. The approach WIEC takes for rate adjustments is to review needs annually compared to utilizing a multi-year forecast. WIEC could do a five-year forecast and try to adjust rates now to carry the co-op through those five years. The problem with that approach when prices are expected to rise is that WIEC would be over-collecting dollars from members in

the first couple of years. Costs would then level out over the last couple of years of the forecast. That approach can create high operating margins. WIEC, as a co-op, is not-for-profit. This means that any margins realized at the end of the year are allocated back to the members as capital credits. When financial conditions permit, the co-op's board of directors votes to pay capital credits back to the members. Capital credits are typically paid back to members around 30 years down the road. Some members may say the positive to a five-year forecast approach is that there would only be one raise in five years in rates (even though WIEC would be over-collecting in the beginning.) When there is a need for a rate adjustment, WIEC raises rates to collect the bare minimum that we anticipate will meet the co-op's revenue requirement for the next fiscal year to pay our bills. This annual approach by WIEC, reviewing needs and projections year-by-year, may mean we have small rate adjustments more frequently rather than large increases infrequently. WIEC's management and directors believe this is the best approach to avoid over-collecting from members, thus keeping more dollars in our members' pockets. **3910-16**

WHAT ARE THE CHARGES ON YOUR BILL?

On a WIEC monthly bill, members are charged for the energy they use each

month with a kWh charge. There is another charge that is broken out separately called a Facility Charge along with a Power Cost Adjustment. I will try to explain each of these charges further.



WHAT IS A FACILITY CHARGE?

The facility charge is what should cover most of the fixed cost of providing basic service to each member's account. The term "fixed cost," also known as indirect cost or overhead cost, refers to business expenses that are not dependent on the level of goods or services produced or sold by the business. Examples are real estate taxes, insurance, interest expense, administrative expenses and transportation expenses, just to name a few. Some other fixed costs are maintaining the electrical system, which contains 1,200 miles of line, 23,000 poles and

Continued on page 18D ►



Western Illinois
ELECTRICAL COOP.
A Touchstone Energy® Cooperative

524 North Madison P.O. Box 338
Carthage, IL 62321
www.wiec.net | 800-576-3125

OFFICE HOURS

8:00 a.m. - 4:30 p.m.
Monday - Friday

BUSINESS OFFICE

217-357-3125

TO REPORT AN OUTAGE

800-576-3125

BOARD OF DIRECTORS

- **Mark Burling** —
President, Carthage
- **Dustin Walker** —
Vice President, Burnside
- **Janet Spory** —
Secretary/Treasurer, Sutter
- **Kim Gullberg** —
Assistant Secretary/Treasurer,
Stronghurst
- **Landon Guymon** —
Director, Carthage
- **Jay Morrison** —
Director, Niota
- **Stephen Patrick** —
Director, Carthage

MANAGEMENT TEAM

- **Todd Grotts** — General Manager
- **Ryan Biery** — Manager
of Operations
- **Wendi Whitaker** — Finance and
Accounting Manager

MAP LOCATION CONTEST

Every month we are printing four members' map location numbers in the newsletter. If you find your map location number call the WIEC office by the 25th of the following month, tell us where it is and we will give you a \$10.00 bill credit. Keep on reading the WIEC News.

DON'T MISS YOUR CHANCE!

**DEADLINE FOR APPLYING IS
FEB. 27, 2026**

YOUTH DAY - SPRINGFIELD - MARCH 25, 2026
YOUTH TOUR - WASHINGTON, D.C. - JUNE 15-22, 2026

Western Illinois Electrical Coop. continues to encourage high school students to learn more about government and their role in it by sponsoring the Youth Day and Youth to Washington events.

Here's how it works: WIEC will award the top six entrants an all-expense-paid trip to Springfield, Ill., as part of the Youth Day/Springfield event, to visit the Illinois State Capitol on March 25, 2026. The group will get to see their state government in action, up close and personal. One of these six students will then be awarded the trip to Washington, D.C., this June.

To enter the contest, students just need to complete a simple application. The application can be found on our website at www.wiec.net, or you may contact our office directly at 217-357-3125 or 800-576-3125 to have us send you one another way. The deadline to apply is Feb. 27, 2026.



Welcome new members

November
2025

Richard Leon Annegers Jr.
Jerry Fye
Robert Allen or Kim Gerhardt
Reese A Hoppe

JLC Yard Farm, LLC - Colby Yard
Gale Rampley and Gail Behrends
Deborah C Scheuermann
Julie D Stambaugh and Ryan C Smith

The power surge

Factors driving the rising demand for electricity

Across the U.S., the demand for power is climbing at one of the fastest rates in decades. As the economy becomes more reliant on electricity and data centers continue to sprout up in many parts of the country, electric cooperatives are preparing to meet the challenges that skyrocketing demand brings.

The North American Reliability Corporation — the watchdog for the U.S. electric grid — recently released the 2025-2026 winter reliability assessment, which echoed other recent reports, including longer-term outlooks that expect sufficient energy resources during normal conditions but potential supply shortfalls and outages under more intense weather conditions.

Extreme weather, coupled with additional factors that are driving increased demand, creates challenges for electric utilities, including cooperatives, in their mission to provide reliable power around the clock. **3729-64**

Several key factors are driving increased demand — including economic growth, expanded manufacturing, data center development and increased electrification in transportation. Together, these trends are reshaping how much electricity we consume and how quickly utilities like Western Illinois Electrical Coop. must adapt to meet future needs.

One of the biggest drivers of rising demand is increased electrification. More homes and businesses are transitioning to electricity for home heating, water heating and transportation. EVs are becoming more common on the road, and many states are offering incentives to help consumers make the switch. Additionally, electric heat pumps are replacing traditional furnaces in many homes due to their efficiency. These transitions mean more energy use and pressure placed on our electric grid.

Data centers are another major contributor to rising demand. As AI, cryptocurrency and cloud computing

technologies grow, the need for data processing and storage has skyrocketed. Data centers require huge amounts of power to operate servers and cooling systems 24/7. Tech companies are building new facilities nationwide — many of which are in electric cooperative-served areas — and these regions are experiencing multi-year surges in electricity demand as a result.

Economic and manufacturing growth are also contributing to higher electricity use. As businesses expand and new industries take root, especially in rural and suburban areas, the demand for reliable, high-capacity power is increasing. The resurgence of domestic manufacturing has led to major facility construction. These facilities often require substantial energy loads, and many operate continuously to keep production lines running. This growth brings jobs and investment, but it also puts new pressures on the electric grid.

Population growth and housing development are also contributing to rising demand in many regions, and everyday life is becoming more energy dependent, too. Smart appliances, connected devices,

home offices and entertainment systems are adding to overall consumption, even as efficiency improves. **3518-5**

While increased demand presents new challenges for electric utilities, it also has the potential to create significant opportunities for co-ops and the communities they serve, such as job growth, steady revenue and improved infrastructure. Electric co-ops are responding by planning carefully for the future — investing in grid modernization and offering programs and services to help co-op members conserve energy. Strategic planning is critical to ensuring the grid can support everything from EV charging to large-scale manufacturing plants.

Electricity powers nearly every aspect of today's economy, and its role will only grow stronger. As electrification accelerates, long-term planning becomes more important than ever.

Western Illinois Electrical Coop. is ready to meet rising demand in our local communities. Through innovation, investment and collaboration, we are preparing for a more reliable and resilient energy future.



Why is the Demand for Electricity Rising?

Demand for electricity in the U.S. is booming. Recent data shows that power consumption nationwide is set to increase by at least 38 gigawatts (enough electricity to power 3,600 homes for one year) between now and 2028. Meeting this new demand will require a combination of new power plants, grid upgrades and energy storage technology advancements. Here are the key factors that are driving increased demand.

- 1 Increased Electrification:** Electric vehicle adoption, electrification of home heating and industrial electrification are increasing overall U.S. energy consumption.
- 2 Data Centers:** Driven by explosions in AI, cryptocurrency and cloud computing, total U.S. data center load is projected to increase by 65% by 2050.
- 3 Economic Growth:** Residential power consumption is expected to increase by 14% to 22% through 2050 due to increases in population and steady economic growth.
- 4 Manufacturing Growth/Onshoring:** New, expanding and “onshored/reshored” manufacturing capacity driven by federal incentives is expected to increase industrial demand by 13,000 GWh per year.

“Rate adjustment” continued from page 18A

line equipment like transformers. It includes equipment to do the work such as bucket trucks and trenchers. It is the lineworker on call 24/7, standing by just in case you flip the switch and nothing happens. It is the voice on the phone that says hello when you call. **Fixed cost is incurred by the co-op whether a member uses 5,000 kWh or 0 kWh.**

EXPLAINING THE FACILITY CHARGE IN DETAIL.

When WIEC prepared its budget for 2026, the revenue requirement was 12.2 million dollars. The purchase of power and delivery of that power to WIEC substations to deliver to WIEC members cost 7.9 million dollars. That cost of purchasing power makes up about 65% of WIEC's total revenue requirement. If you subtract 7.9 million from 12.2 million, that leaves 4.3 million. This is the fixed cost, also known as indirect cost or overhead cost. If you divide \$4.3 million by 12 months, that equals \$358,000 per month in expenses that WIEC needs to collect to pay its bills. WIEC has 3,600 accounts. If you divide the \$358,000 by 3,600 accounts, that equals about \$99.44 that we need to collect each month from each account to make our revenue requirement. The Facility Charge that is on your utility bill is a charge that is in place to recover fixed cost. The facility charge for WIEC is currently only recovering about 65% of our revenue requirement, and the remaining 35% is being recovered with kWh sales. If WIEC did not sell any power, we would still have \$358,000 in expenses every month. I hope this helps you understand what the Facility Charge on your utility bill is and what it is trying to recover.

WHAT IS THE POWER COST ADJUSTMENT ON MY BILL?

You may have also noticed the Power Cost Adjustment (PCA) line item on your monthly bill. The PCA is a billing adjustment utilized to cover fluctuations in the actual cost of wholesale power from where it was budgeted. The actual cost will fluctuate from month to month for many varied reasons. The Cooperative's base rates can withstand small fluctuations in this actual cost of wholesale power from where it was budgeted. However, if the actual wholesale power cost fluctuates so that it is greater than the budgeted power cost for that year, the Cooperative needs to be able to adjust its revenue to meet its financial obligations. The PCA allows this to happen. It should be noted that this PCA line item can be either a charge to the member or a credit to the member depending on which way the cost of wholesale power fluctuates. There may also be months where the PCA is zero if the actual power costs come in at exactly what was budgeted.

HOW MUCH IS THE RATE ADJUSTMENT?

These charts reflect the rate changes that will go into effect for usage starting April 1, 2026. You will see them for

the first time on the bills you receive in early May that will be due on May 26, 2026. You can look at your current bill to see what rate (or rates) you are on, then check below to see how they will change on April 1st.

Rates 1, 2, 13 Single-Phase	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$58	\$65
First 2,000 kWh	.1275/kWh	.1300/kWh
Over 2,000 kWh	.1150/kWh	.1200/kWh

Rates 3 & 33 Three-Phase	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$76	\$85
First 2,000 kWh	.1575/kWh	No Change
Over 2,000 kWh	.1150/kWh	.1200/kWh

Rate 4 Large Power	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$120	\$135
All kWhs	.1150/kWh	No Change
Demand	\$12/KW	\$12.50/KW

Rates 40, 41, 403, 413 Electric Heat	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$6	No Change
*October-April Only		
All kWhs	.1150/kWh	No Change

Rates 60, 61, 603, 613 Geothermal	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$6	No Change
All kWhs	.1150/kWh	No Change

Rate 75 Non-metered Attachments	2025 RATE	Rate Effective 4/1/2026
Facility Charge	\$43.50	\$48.75

WE ARE HERE TO HELP.

We recognize that a change in our rates means a change in your bill and your household budget. We want to remind you that you have access to resources that can help you manage your monthly bill. Our Budget Billing Program gives you more predictable bills by averaging the amount you pay each month based on your previous 12 months of consumption. We are here to help you determine energy solutions that work for you. **3811-3**

HAVE QUESTIONS? WIEC works hard to keep its electric rates competitive and fair. We are committed to providing you with reliable, affordable and environmentally responsible electric service. If you have questions or concerns regarding the rate adjustment, we encourage you to call us at 217-357-3125 or 800-576-3125. We would also be happy to have you stop by the office at 524 N. Madison St. in Carthage, Ill.