

2024 Electric Rate Adjustment

Questions & Answers



Are electric rates going up in 2024?

Yes. Rates will be adjusted effective January 1 and will be reflected on bills received in February. From 2019 to 2023, Central Electric's rates were only adjusted by a modest 1.5%. Due to the increasing costs to operate, the cooperative needs to increase total revenues by 6.5% in January 2024 to continue meeting the financial requirements of our lenders, including the USDA Rural Utilities Service.

Why is the rate increase necessary now?

- Wholesale power costs are increasing in 2024 because of rising equipment prices, material prices, labor costs, and interest rates.
- Central Electric has experienced an \$850,000 to \$900,000 bump in annual operating expenses over the past two years.

As a not-for-profit cooperative, our rates are designed to cover the expenses associated with delivering reliable energy and they are only adjusted when absolutely necessary.

What is the facility charge and sub meter charge?

- The facility charge is the monthly minimum needed to cover the costs of providing access to electricity before any energy is used. The cooperative incurs expenses such as poles, wires, vehicles, and labor in order to build and maintain our electric system and provide customer service.
- The sub meter charge helps recoup the costs to purchase, operate, read, and maintain the sub meters.

The cooperative has fixed costs no matter how much electricity is used. Central Electric serves approximately 1.6 meters per mile of line, which means there is a large amount of infrastructure required to bring power to each member.

I only use my service a few times a year. Do I need to pay the facility charge?

Yes. The facility charge is required for all electric services, regardless of energy use. The fixed costs covered by the facility charge are incurred by the cooperative whether the service uses electricity or not. To avoid a facility charge on an unused service, a member can choose to retire the service. The cooperative will remove all equipment at and leading up to that service, and electricity will no longer be available there. If a member chooses to reinstall the electric service, they will be responsible for the cost to rebuild the service.

How is the cooperative managing expenses?

Your cooperative is always looking for ways to manage costs while keeping service reliable. Examples include:

- Applying for federal funds to make improvements on our system.
- Utilizing a load management program to reduce demand charges and lower wholesale power costs.
- Joining alliances with material suppliers to increase purchasing power and lower costs.

How can I save money and monitor energy usage?

Central Electric has options to help you save money, including energy audits, efficiency rebates, and the load management program. SmartHub allows members to view account information, energy usage, and billing history. Sign up or log in at www.centraleccoop.org.

More details about the rate change can be viewed on the next page.

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The table below shows the rate comparison from 2023 to 2024 for farm and residential single-phase service and electric heat sub meters. Tools are available in the SmartHub app to help manage energy usage. To access SmartHub services, sign up at www.centralec.coop.

Service Type	2023 Base Charge	2023 Energy Usage Blocks	2023 Rate per kWh	2024 Base Charge	2024 Energy Usage Blocks	2024 Rate per kWh
Farm/Residential Single-Phase	\$61.45 Facility Charge	0 to 600 kWh 601-1200 kWh >1201 kWh	\$0.114 \$0.096 \$0.082	\$63.45 Facility Charge	0 to 900 kWh 901-1200 kWh >1200 kWh	\$0.121 \$0.096 \$0.087
Electric Heat Sub Meter	\$2 Sub Meter Charge	All kWh	\$0.056	\$4 Sub Meter Charge	All kWh	\$0.060

The facility charge will increase by \$2 per month for all rate classes. Energy charges will also be adjusted due to increases in wholesale power costs. The new rates take effect in January 2024 and will be reflected on billing statements received in February 2024.

Want \$10 Off Your Next Statement?



Postage is another rising cost your cooperative is facing, so Central Electric is offering an incentive to go paperless. Earn a one-time bill credit of \$5 by signing up for paperless statements, and another \$5 by signing up for automatic payments.

All of a member's eligible accounts must be enrolled by April 1, 2024, to qualify. Each newly enrolled member is eligible for one \$5 to \$10 bill credit after conditions are met. Contact the billing department for more information at 1-800-477-2892.

Need More Information?

Phone: 1-800-477-2892 or 1-605-996-7516

E-mail: billinggroup@centralec.coop

Website: www.centralec.coop

