

Member rate changes beginning in April

On and off peak rates provide balance to your electric cooperative



As reported in last month's magazine, we completed a cost of service analysis (COSA) that indicated rate changes are necessary to meet our revenue

requirements of your cooperative. The COSA findings offer useful guidelines to assist in allocating costs to each rate class of members in a way that avoids any class paying more, or less, than their fair share.

Many factors influence electric rates. HCREMC electric rates reflect the cost to build, maintain and finance our lines as well as operate your cooperative. Things like weather, trees, industry expenses and member-consumer lifestyles play a major role in your rates for electricity. For example, during the winter and summer months, member-consumers increase or peak their electric use by turning on heating and cooling systems. In extreme heat and cold, your systems are working hard and using a great deal of energy to maintain your desired inside temperature. Everyone else in your area is doing the same. This puts pressure on the energy supply. During these peak periods, your REMC pays more for electricity due

to supply and demand. Those costs incurred during peak periods carry through to the next peak period. The end result is a higher cost of power half of the year.

As part of our rate realigning efforts, HCREMC will implement on and off peak rates beginning April 1. View the new rates below for our residential single service, rate class 101. The monthly distribution for this rate will remain at \$35.

NEW ENERGY RATE:

- June – November: \$0.1112 per kWh
- December – May: \$0.1031 per kWh

This increase reflects rate changes put into place by our power supplier, Hoosier Energy. In addition, a review of member accounts is currently being conducted to identify if members are in the proper rate class based on their energy consumption. As this work progresses, we will update you on any changes.

HCREMC approaches any rate review with the goal of keeping rates stable for member-consumers while bringing in the required revenue for maintenance and improvements to continue providing safe, reliable and affordable power.

SHANNON THOM
CEO