

Shelby Electric Cooperative announces rate adjustment

New rates take effect with your January 2023 statement

Shelby Electric Cooperative (SEC) has been experiencing the same price pressures our members have been facing. Rising interest rates, supply chain issues, high fuel costs, and historic inflation have presented challenges not seen in several decades. Other economic and legislative issues are also impacting the cooperative and its ability to provide you with safe, reliable electric service at an affordable price.

SEC is committed to protecting the co-op membership from the economic impact of drastically rising energy costs. SEC has experienced these same inflationary pressures at the distribution system level, as well as an increase in our wholesale power costs, which make up approximately two-thirds of SEC's total expenses. The cooperative hired a third-party engineering firm to conduct a cost of service and rate study in 2022. After reviewing the results of this study, it was determined that a 9% rate increase would be required. This will be implemented through a combined \$6 increase on the Service Availability Charge (formerly known as Facility Charge) with the remainder of the 9% coming from a per kilowatt-hour energy charge increase. "This is the first time we have had a rate adjustment to residential members since 2014. The inflationary environment we live in today will require us to look at it on an ongoing basis in order to protect the cooperative's



financial and operational reliability moving forward," said SEC President/CEO Josh Shallenberger. These rate adjustments will take effect on the member's January bill.

See related article on the renaming of the Facility Charge to Service Availability Charge on page 18C.

This is an example of how the new rate adjustment may affect your bill.

This example is based on the average amount of kilowatt-hours consumed by a residential member on **Rate 1**.

This information can be found on your current bill.

Effective through December 2022: Rate 1 <small>(table does not include taxes, power cost adjustment, and other applicable fees)</small>		Effective January 2023: Rate 1 <small>(table does not include taxes, power cost adjustment, and other applicable fees)</small>	
Usage	993 kilowatt-hours (kWh)	Usage	993 kilowatt-hours (kWh)
Energy Charge	993 kWh @ .1197 = \$118.86	Energy Charge	993 kWh @ .1292 = \$128.30
Facility Charge	\$ 52.00	Service Availability Charge <small>*formerly known as Facility Charge</small>	\$ 58.00
NET DUE	\$170.86	NET DUE	\$186.30

This particular member would see an increase of \$15.44 under the new rate adjustments.

NOTE: The effect of the rate change, both on a percentage and dollar basis, is dependent upon the member's energy usage.

Energy Efficiency Tip of the Month

Insulating your electric water heater can reduce standby heat loss by 25% to 45%, saving you 7% to 16% on annual water heating costs.

The Dept. of Energy rates this project as medium difficulty, meaning most homeowners can tackle this project on their own. You can purchase pre-cut jackets or blankets for about \$20 at most home improvement stores. Visit energy.gov for project tips and additional considerations.

Source:
energy.gov



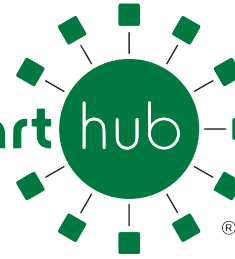
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**Office Hours:
7:00 a.m. - 4:00 p.m.**



Do you smart hub ?



SmartHub is the Swiss Army knife of apps that can be utilized from your personal computer and smart devices. Visit shelbyelectric.coop or download it from your app store to check out all of the handy resources it offers.

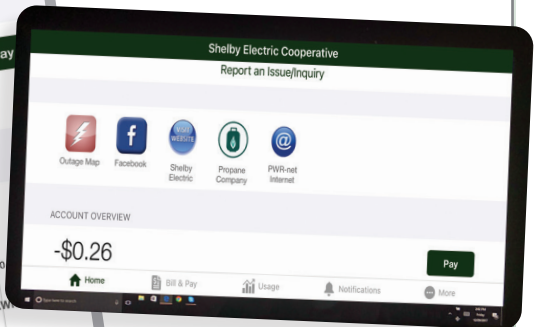
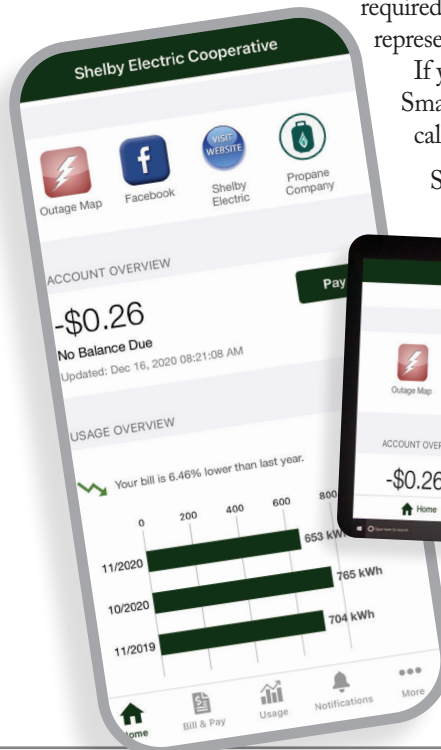
From the app's home screen, you may choose to read notifications from Shelby Electric Cooperative, view and pay your bill, or analyze your electricity use. You can also report an outage, view the co-op's outage map, or link to the co-op's website and social media pages all with a few taps from your fingertips.

Notifications on the SmartHub website link will allow you to choose the items you wish to be notified about, such as when your bill is available, if an outage is planned for your location, and even when the power has been restored! Some members choose to be notified when their credit card used for automatic payment is due to expire and also receive payment confirmation. Just sign in, click on the **Notifications** tab, and select **Manage Contacts**. After determining whether to receive notifications via email, text, or both, go to **Manage Notifications** and choose to receive outage alerts, as well as any other messages. If you have not set up an account yet, you can do this from the same SmartHub web link.

The **My Usage** button will allow you to explore the kilowatt hours used each week, current and previous billing periods, or annually. For added convenience, you can select the **Contact Us** button, choose a topic, enter the required information, and a cooperative representative will contact you.

If you have any questions about SmartHub, contact the cooperative by calling 1-800-677-2612.

So, how do *you* SmartHub?



Changing the Name

Facility Charge becomes Service Availability Charge

The name Facility Charge has been used to describe the entire infrastructure and the corresponding operation and maintenance costs that are used to provide Shelby Electric Cooperative members with reliable power whenever needed. In basic terms, it refers to the cost of service. It has been determined that this terminology has led to some confusion over the years as to what this charge covers.

In an effort to better identify what this charge covers, the name of this cost recovery pricing mechanism will

be changed from Facility Charge to Service Availability Charge. This name represents the funding mechanism of the cooperative's fixed costs. Cooperative fixed costs include, but are not limited to: utility poles, transformers, power lines, substations, fuses, breakers, insulators, maintenance, technology services, labor, vehicles, and taxes.

This charge is everything it takes for Shelby Electric Cooperative to bring you your first kilowatt-hour. Regardless of how many kilowatt-hours are used, each member pays

a fair share of the cost of having dependable service available 24 hours a day. The last time the cooperative made an adjustment to this charge was in 2014. Effective with the member's January bill, the Service Availability Charge will be \$58. A recent cost of service study, completed by a third-party engineering firm, recommended an even higher charge to recover the actual fixed costs of operating the co-op. However, the cooperative determined a \$6 adjustment would be implemented at this time.



SERVICE AVAILABILITY CHARGE COVERS:

- substations - transformers
- trucks - poles - wire
- labor - safety equipment
- software - maintenance
- 24/7 service
- and so much more

Your electric service is ready when you need it, whether you use a little or a lot.



REAL LIFE  REAL POWER

Getting Real with Marla and rising expenses

If you have not been living as a hermit, under a rock, or in a cave, you have felt the pinch of increased prices of fuel, groceries, and eating out. Most other items we need (and want) for daily living also increased, and you have probably grumbled about it. I know I have.

Although our residential Rate 1 and Service Availability Charge (formerly known as Facility Charge, see article on page 18C) have not increased since 2014, we now have to adjust our rates for 2023.

What can we member-owners do to offset the increases? First, we should break down the increases to see what they will actually look like on our electric bills and in our wallets.

- The Service Availability Charge is increasing \$6 a month. That is an increase of 20 cents per day. Personally, I could bring my lunch to work one extra day a month or cook an extra meal at home and easily have that covered.
- The kilowatt-hour (kWh) Energy Charge is increasing by \$0.0095. The average Rate 1 member uses just shy of 1,000 kWhs per month. That is an increase of \$9.50 per month or 32 cents per day. Ironically, my favorite place to get a large Diet Coke just increased the price by 32 cents. I could cut out a daily

Diet Coke and pay for the kWh Energy Charge increase for an average residential member.

Maybe, like me, your monthly kWh use is greater than the average. What else can you do to make some quick, relatively painless changes? I encourage you to turn off all the lights in your house when it is dark outside. How many small lights do you see glowing? Many of those indicate items are in standby mode. They are using a small amount of electricity just to be ready when you want to use them. Could any of those be unplugged or eliminated?

Get rid of or unplug that garage/basement fridge from the early 2000s and you can probably cut about seven dollars a month from your electric bill. Energy Star has a “Flip Your Fridge” calculator to help estimate energy savings by replacing (or eliminating) old refrigerators and freezers. Check it out at energystar.gov/products/appliances/refrigerators/flip-your-fridge.

Do not use electric space heaters unless absolutely necessary. The operating cost of a 1500-watt space heater is 19 cents per hour. We have all seen the ads for energy efficient space heaters. However, the advertisement’s fine print recommends the household furnace thermostat setting be turned very

low and use the space heater in the room you are occupying. A 1500-watt space heater running eight hours a day will add about \$46 a month to your electric bill.



Dress in layers and keep your thermostat on 68 degrees this winter. Even if you use propane or natural gas as your heating fuel source, every time the furnace fan motor kicks on it uses electricity. The colder the temperature is outside, the more frequently the furnace has to run to maintain the temperature in your home. Cover drafty windows with insulation kits and use draft stoppers for door jambs.

Little changes really can add up to big savings. Some of those changes might not even be noticed. Now, I think I will raid my change bucket and cough up the extra 32 cents for a Diet Coke.

~Marla Foor,
Communication Specialist



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