



Central Electric
Membership Corporation

A Touchstone Energy® Cooperative 

Managing the cost of service



From the desk of
CEO & General Manager
Eddie Oldham

“As a not-for-profit provider, our goal is always to provide service as close to at cost as possible.”

Over the last few months, we have been taking a deep dive into our individual service charges. This is an important process to be sure they are in line with the with the actual costs being incurred.

The first part of this study centered around our new service installation charges, or as we refer to them, construction-in-aid (CIA) charges. When a new development or home is being built, there are considerable costs associated with building out the service to each lot or to the new home being served. Over time, our charges for new construction have not changed much. However, the cost to perform the installation has continued to rise.

We also took a close look at the costs associated with processing payments, namely fees charged by banks and credit card companies like Visa and MasterCard. These fees are charged on each and every credit card or electronic check transaction that is submitted. Over time, as more and more payments are submitted electronically, these costs have continued to rise.

In order to make sure we are proportionally allocating the costs of the co-op to the services being utilized, effective Sept. 1, several of our CIA charges will be adjusting and a new electronic payment fee for credit card and electronic check payments will be added. The CIA charges will be adjusted based on the type of new construction job, for instance the standard cost to install underground services to new developments.

The electronic payment fee will be added by payment type, namely a 2.45% transaction fee for credit card transactions and a flat \$1 service fee for electronic check payments.

The good news is that these changes will now no longer be subsidized by all members. For members who may not be utilizing any of these services, you will see no changes! This is all in an effort to make sure that our costs are equally and proportionately allocated to members based on services being utilized and not paid by all members.

As a not-for-profit provider, our goal is always to provide service as close to at cost as possible; this sometimes means making changes to be sure the cost of service is allocated proportionately. Between now and September, we will be providing more information regarding the changes, as well as ways for you to avoid the electronic transaction fees altogether. Despite the small changes that are sometimes needed along the way, we are working hard to control costs so we can all continue to receive the most value from our co-op and the electric service we have come to expect.

Until next time,

Eddie B. Oldham