



Affordable & reliable service



From the desk of
CEO & General Manager
Eddie Oldham

Bringing news of any change in the cost for service to our members is never fun. Quite frankly, it is the last thing we ever want to do. As a not-for-profit cooperative, our business model is not designed to provide returns to outside investors or shareholders. It is designed to provide a reliable and affordable electric service, at the most competitive cost possible, and return any excess to you, our members.

As a member of this cooperative and resident of rural Chatham County, I take this charge very seriously. Our mission to provide affordable, reliable power is ingrained in everything we do. We understand that every dollar you earn and spend is important. We are very prudent with our expenses to be sure we are providing you the best service at a low cost.

Over the last two months, we have been sending out information on a \$2.00 adjustment that is needed to our basic facility charge. The adjustment will go into effect May 1 and for our residential all-electric rates, the charge will change from \$27.00 to \$29.00 each month.

So why is this adjustment to the basic facility charge needed? To answer that question, it is important to understand the role of the basic facility charge. This "fixed" portion of the rate structure makes sure the co-op can cover the expenses associated with maintaining the electric system, which is separate from the cost of the electricity you use each month, or kilowatt-hours (kWh).

When you think about how electricity makes its way to your home, it travels over a system of poles, transformers, lines and various other equipment.

The cooperative operates over 2,500 miles of line and equipment that must be maintained to ensure electricity keeps flowing and power is there when we need it. Part of this upkeep involves installing new equipment, replacing aging equipment over time as needed, as well as clearing right-of-way areas to keep trees away from our lines and residents of our community safe. These maintenance related items have a major impact on the reliability of the service we provide to our members, and we take reliability very seriously. Our most recent service reliability rating was 99.96%, which means our members are rarely without power and that is what we want to achieve.

Over the last several years, we have experienced continual cost increases in maintenance related areas. The rise is two-fold: (1) the co-op is continuing to invest in maintaining the system to ensure reliability for our members (maintaining right-of-way, replacing aging infrastructure and general maintenance), and (2) the costs of goods associated with labor, equipment, materials, etc. continue to see gradual increases, which is unfortunately a natural by-product caused by growth and inflation in the economy. The need to adjust the basic facility charge beginning May 1 is a combination of our continued commitment to reliability and the general rise in costs in the economy.

In an ideal world, costs would never need to change. However, the reality is that rates must sometimes be adjusted to ensure the ongoing health of the cooperative and the service we provide to you. While an adjustment is needed at this time, rest assured, we will continue to be proactive in maintaining our system and at the same time controlling costs as much as possible. As a not-for-profit utility, we are constantly working to preserve the affordability and reliability of your service, regardless of the ongoing challenges we may face.

Until next time,