

The effect of the new rate structure on you... our members.

What does this mean for your account?

It depends on your use habits—for most members, you won't see a change. However, in all cases you have a choice and control over how you use energy.

How can you affect your power bill?

There are many ways that you can control your overall power bill. One way would be to examine your energy use habits and understand when are the most expensive hours to consume energy, On-Peak. Consider how you can save money on your power bill by minimizing energy use during On-Peak hours and help the co-op as well.

What can you do to cut down on energy use during the On-Peak hours?

These are just a few examples of some simple changes that can help you save money:



- Manually adjust your thermostat so that your HVAC runs less during the On-Peak hours. Consider investing in a programmable thermostat.



- Limit hot water use during the On-Peak hours and consider placing a timer on your hot water heater that helps shift the energy load.



- Use your dryer, oven or other high-use appliances before or after the On-Peak hours.

For more energy-saving tips, please visit our website, www.mcecoop.com or request our energy-saving tips brochure.

MCEC is committed to our members and our community.

While power prices are up nationwide, as a not-for-profit electric cooperative, we will continue to do everything we can to manage costs and provide the same reliable service as always at the lowest possible cost.

We have been analyzing meter data reflecting more than 10 years of hourly demand (kW) which allows us to understand our true power costs. We have the technology in place to accurately determine your On-Peak use which allows these costs to be equitably allocated among all members. We are excited about the new possibilities that this will provide each member of Mid-Carolina Electric Cooperative in our ongoing partnership.

From the beginning, we were formed as a cooperative to make a difference—not only in the lives of individual members but also in our communities. That has always been and will remain our commitment here at MCEC.



Your Touchstone Energy® Cooperative

803-749-6400

1-888-813-8000

www.mcecoop.com



A Cooperative Partnership with you... our members.



2016 Rate Structure



Your Touchstone Energy® Cooperative

Mid-Carolina Electric Cooperative. Your Trusted Energy Partner for 75 Years.

MCEC is implementing a NEW rate structure that gives members more control over their power bill than ever before!

By simply reducing energy use during the highest cost period each day, members can save on power bills.

We are proud of the partnership with our members that goes back over 75 years...

and we are even more excited to partner with you towards the future! The energy landscape and technology has been changing rapidly, but one thing will remain the same—our commitment: to provide our members quality electric services at competitive costs.

As a cooperative, our business model is different—we are member-owned. You get a vote in our annual meetings, and as you pay your electric bill over time, you receive funds back in the form of capital credits. Each decision we make is made with our members in mind and how we most equitably go forward into the future together.

A new way of looking towards the future:

We are embracing a new rate structure that will allow us to continue to provide you with energy at reasonable costs—no matter its form. After a great deal of study, we have determined that this rate structure will allow us to best serve all members in the fairest way possible both now and in the future.

What are the different parts of the new rate structure?

- **Account charge.** The cost of making service available to our members. It covers the operating costs of the cooperative.
- **Energy charge.** Energy is the number of kilowatt-hours used by the member over the billing period. Based on your individual meter reading, this is the number of units you are used to seeing each month on your bill. The energy charge is equal to the kilowatt-hours used multiplied by the energy rate. In this new structure, we have been able to lower the charge per kilowatt-hour from about 11.5¢ to 4.7¢.

(kWh) – One kilowatt-hour is defined as the amount of energy consumed by a 1000-Watt appliance running continuously for 1 hour.

- **On-Peak charge.** To determine the On-Peak charge, the highest ONE hour of energy use is identified from the On-Peak hours in each billing period. That ONE hour is billed at the On-Peak charge per kW.

(kW) – One kilowatt is defined as the amount of power required to operate a 1000-Watt appliance.

What are the On-Peak hours?

On-Peak is defined as the hours during the day when electricity is most used and when power is more expensive.



From November 1 to March 31,
the Winter On-Peak hours are from 6 a.m. to 9 a.m.

When it's cold, power is more expensive in the morning as people are preparing to go to work.



From April 1 to October 31,
the Summer On-Peak hours are from 4 p.m. to 7 p.m.

When it's hot, power is more expensive in the evening when people get home from work.

You now have the opportunity to lower your total power costs by reducing electricity use during these On-Peak hours each day.

What are the financial costs of the new rate structure?

There are THREE main categories of cost incurred by our system by residential and commercial members:

1. Account charge

Residential
80¢/day
Commercial
\$1.10/day

This is the cost to make electric service available to all members.

2. Energy charge

Residential
4.7¢/kWh
Commercial
5.7¢/kWh

This is the energy portion of the power cost.

3. On-Peak charge

Residential
\$12/kW
Commercial
\$14.75/kW

This is the rate for the highest ONE hour of electric use during the On-Peak time frame of the billing period.

When will this new rate structure take effect?

Bills rendered beginning February 1, 2016, will reflect use during the previous month of January.

Why a new rate structure?

We now have the technology in place that will allow us to charge a more accurate fee for electric use and recover costs from members as they occur in the system. Rates should be cost-based so that members in each rate class pay their fair share of the total costs.

