



# Chariton Valley Electric Cooperative, Inc.

Your Touchstone Energy® Partner



## Rate Increase FAQ

Rate Increase Start Date – May 1, 2026

<i>Questions</i>	<i>Answers</i>
<b>Who determines when a rate increase is necessary?</b>	<p>The decision to adjust rates is made by CVEC's Board of Directors, using data from a comprehensive cost-of-service study to ensure rates accurately reflect the cost of providing electric service. The Board carefully reviews this information annually to determine when an adjustment is necessary.</p> <p>CVEC's directors are cooperative members themselves and pay the same rates as all members. They are elected by the membership to represent your best interests and make decisions that support reliable service and the long-term financial stability of the cooperative.</p> <p>The Board understands that any increase can be difficult, and decisions like this are not made lightly. However, adjustments are sometimes necessary to cover rising operating expenses and power supply costs and to maintain a safe, reliable electric system.</p>
<b>Why is this increase necessary now?</b>	<p>CVEC has made every effort to control costs and operate efficiently. However, external factors such as rising power supply costs, inflation and increasing expenses for materials and equipment have made a rate adjustment necessary.</p> <p>In addition, ongoing maintenance and system improvements are essential to ensure reliable service and replace aging infrastructure. This adjustment helps ensure the cooperative can continue providing safe, reliable electricity while maintaining the financial stability needed to serve members now and in the future.</p> <p>As a not-for-profit cooperative, CVEC adjusts rates only when necessary to recover the actual cost of providing service.</p>
<b>How was the amount of the increase determined?</b>	<p>CVEC conducted a cost-of-service study, a comprehensive review of all rates, to ensure rates accurately reflect the cost of providing safe and reliable electric service 24 hours a day, 365 days a year. This study helps identify the cooperative's financial needs and determines whether a rate adjustment is necessary and, if so, how much.</p> <p>The Board also considers several key factors, including power supply costs, distribution and maintenance expenses, and the</p>

	<p>effects of inflation on materials, equipment and labor. These factors ensure the adjustment is fair, reasonable and aligned with the actual cost of serving members.</p>
<p><b>How do CVEC's rates compare to other electric utilities?</b></p>	<p>Even with this increase, CVEC's rates remain competitive with neighboring utilities. As a not-for-profit, member-owned cooperative, CVEC's goal is to keep rates as low as possible while continuing to provide safe and reliable service.</p> <p>For perspective, CVEC's cost per kilowatt-hour remains lower than both the state average of 13.3¢ and the national average of 16.0¢. This reflects the cooperative's ongoing commitment to managing costs responsibly while meeting the needs of its members.</p> <p><i>Source: U.S. Energy Information Administration</i></p>
<p><b>How will my bill be impacted?</b></p>	<p>The impact of the rate increase will depend on your monthly electricity usage. Members who use more electricity will see a greater increase, while those who use less will see a smaller change. Reviewing your average monthly usage can help you better estimate how your bill may be affected.</p> <p>For example, a residential member using 900 kWh per month will see an increase of approximately \$2.70 per month on the energy portion of their bill.</p> <p>For a more personalized estimate, please contact our office. One of our Member Service Representatives (MSRs) will be happy to review your usage, provide an estimate and answer any questions you may have.</p>
<p><b>What is CVEC doing to keep costs down and future increases to a minimum?</b></p>	<p>CVEC is committed to providing safe, reliable and competitively priced electricity while carefully managing costs. The cooperative continuously evaluates operations and pursues opportunities to improve efficiency and reduce expenses whenever possible.</p> <p>Efforts to help keep future increases as low as possible include:</p> <ul style="list-style-type: none"> <li>• Exploring cost-saving measures and improving operational efficiency.</li> <li>• Competitively bidding materials, equipment and services to ensure the best value.</li> <li>• Regularly reviewing daily operations to identify opportunities to streamline processes and reduce costs.</li> <li>• Carefully managing and comparing material and equipment expenses.</li> <li>• Working closely with our power supplier and advocating for policies that support affordable, reliable electricity.</li> </ul> <p>As a not-for-profit cooperative, CVEC's focus is on controlling costs and collecting only what is necessary to operate and maintain a reliable electric system for its members.</p>

<p><b>What is a service availability charge?</b></p>	<p>This charge covers the basic daily cost of making electric service available at your location. It reflects the majority of the cooperative's investment in poles, wires, transformers and meters, as well as the ongoing maintenance required to deliver safe and reliable electricity to your home or business 24 hours a day, 365 days a year. This charge ensures the electric system is always ready to serve you, even when little or no electricity is used.</p>
<p><b>What can I do to reduce my electric costs?</b></p>	<p>While CVEC works to keep rates as low as possible, there are steps you can take to manage your energy use and improve efficiency. Small changes can make a meaningful difference over time.</p> <p>Ways to help reduce electric costs include:</p> <ul style="list-style-type: none"> <li>• Monitoring and managing your energy use through the MY CVEC App.</li> <li>• Enrolling in budget billing to spread costs evenly throughout the year and make bills more predictable.</li> <li>• Taking advantage of energy efficiency rebates when upgrading to more efficient appliances or equipment.</li> <li>• Scheduling an energy audit to identify opportunities to improve efficiency and reduce energy use.</li> </ul>
<p><b>Closing</b></p>	<p>Maintaining reliable service at a competitive price remains the cornerstone of CVEC's mission. Our Board of Directors and employees are committed to working diligently to manage costs, operate efficiently and deliver the safe, reliable and competitively priced electricity you have come to expect as a member-owner of the cooperative.</p> <p>We appreciate your understanding and continued support as we make necessary investments to keep the system reliable for today and the future.</p>

<b>Rate Classes</b>	<b>Current Energy Charge</b>	<b>New Energy Charge</b>	<b>Current Service Availability Charge</b>	<b>New Service Availability Charge</b>
Residential	\$0.115/kWh	\$0.118/kWh	\$1.40/day	\$1.44/day
Small Commercial	\$0.115/kWh	\$0.1185/kWh	\$1.40/day	\$1.44/day
Three Phase 101 – 500 kVA	\$0.050/kWh	\$0.052/kWh	\$4.07/day	\$4.19/day
Three Phase 501 – 1000 kVA	\$0.050/kWh	\$0.052/kWh	\$6.78/day	\$6.98/day
Three Phase 1001 – 2000 kVA	\$0.050/kWh	\$0.052/kWh	\$8.47/day	\$8.72/day
Three Phase > 2001 kVA	\$0.050/kWh	\$0.052/kWh	\$11.86/day	\$12.22/day