



# Chariton Valley Electric Cooperative, Inc.

Your Touchstone Energy® Partner



## OFFICIAL RATE INCREASE NOTICE

Dear Valued Member:

Effective May 1, 2023, Chariton Valley Electric Cooperative, Inc. (CVEC) will implement a rate increase, along with a new rate design for the electric service you receive. This is the first general rate increase implemented by CVEC since 2016. In that time, inflation has grown 25% and the cost to provide electric service has increased nearly 16%.

As a cooperative owned and operated by those who receive services from us, CVEC is driven by the goal of providing safe and reliable electricity at a competitive rate. However, despite our best efforts to find solutions over the years to prolong a rate increase, and to ensure continued financial stability, we now must align our rates with the increasing power supply costs, distribution expenses and overall inflation.

Chariton Valley Electric Cooperative understands even the slightest of increases can be challenging for our members and we do not take implementing a rate adjustment lightly, but feel it is necessary to cover operating expenses and keep the cooperative financially sound. Please know CVEC’s board and management team have been working diligently to offset this increase and minimize the impact on our members’ bills. However, this rate adjustment is essential for your cooperative to cover the costs of providing reliable power to you, our members.

The new rate structure will result in increased revenues of approximately 12.9%, which will help your cooperative keep up with rising infrastructure costs and continue making investments to keep our system safe, reliable and sustainable well into the future.

Coinciding with the new rates, you will notice the fixed portion of your monthly electric bill will now be labeled “Service Availability Charge” and be depicted as a daily charge. This charge covers the basic daily cost for availability of service at your location. This fixed portion of your bill accounts for a majority of the cooperative’s investment in poles, wires, transformers, meters and the maintenance required to deliver safe and reliable service to your residence or business 24/7, 365 days a year.

Chariton Valley Electric Cooperative will be implementing the following new rate schedule May 1, 2023.

*Note: demand charges were not adjusted at this time*

| Rate Classes                | Current Energy Charge | New Energy Charge | Current Facility Charge | New Service Availability Charge |
|-----------------------------|-----------------------|-------------------|-------------------------|---------------------------------|
| Residential – Rural & City  | \$0.098/kWh           | \$0.112/kWh       | \$35.00/month           | \$41.50/month<br>\$1.36/day     |
| Small Commercial            | \$0.099/kWh           | \$0.112/kWh       | \$35.00/month           | \$41.50/month<br>\$1.36/day     |
| Three Phase 100 – 500 kVA   | \$0.048/kWh           | \$0.048/kWh       | \$65.00/month           | \$120.00/month<br>\$3.95/day    |
| Three Phase 500 – 1000 kVA  | \$0.048/kWh           | \$0.048/kWh       | \$134.00/month          | \$200.00/month<br>\$6.58/day    |
| Three Phase 1000 – 2000 kVA | \$0.048/kWh           | \$0.048/kWh       | \$134.00/month          | \$250.00/month<br>\$8.22/day    |
| Three Phase > 2000 kVA      | \$0.048/kWh           | \$0.048/kWh       | \$324.00/month          | \$350.00/month<br>\$11.51/day   |

*Continued on Reverse →*

CVEC also evaluated the costs associated with all security lights on our system through a third party cost of service study. After completing the study, it was determined a monthly increase of \$1.00 was necessary for all metered lights and a \$1.50 increase was necessary for all un-metered lights.


| Light Charges          |                           |
|------------------------|---------------------------|
| Metered Light Increase | Un-Metered Light Increase |
| ↑\$1.00/month          | ↑\$1.50/month             |


Although the cooperative finds it necessary to adjust our rates, please know CVEC is committed to helping our members take control of their energy usage, become more energy efficient and improve the ways you use energy through cooperative programs such as budget/levelized billing, energy efficiency rebates, energy audits and more. The MY CVEC app is a great resource to monitor and manage your daily, monthly and yearly energy use. You can download the app through your phone’s app store by searching “MY CVEC APP.”

In conclusion, maintaining reliable service at a competitive price remains the cornerstone of our business. Chariton Valley Electric Cooperative, its directors and its employees will continue to do our best to control costs and protect the safe, reliable and competitively priced power you have come to expect.

If you have any questions, please contact our office at 641-932-7126 or toll free at 1-800-475-1702.

Sincerely,  
Chariton Valley Electric Cooperative, Inc.

  
Mike Miller  
Board President

  
Troy Amoss  
Interim CEO/General Manager