



# Chariton Valley Electric Cooperative, Inc.

Your Touchstone Energy® Partner



## Rate Increase FAQ

Rate Increase Start Date – May 1, 2025

<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, who rely on data from a cost of service study to set the cooperative's electric rates. As CVEC members themselves, the directors pay the same rates that you do. They are elected annually by you and other members.</p> <p>Even a small increase can be challenging, and this decision is not taken lightly. However, it was determined to be necessary to cover rising operating expenses and ensure the long-term financial stability of the cooperative.</p>
<b>Why is this increase necessary now?</b>	<p>The cooperative has made every effort to control costs; however, external factors such as rising power supply costs, inflation and the need for system improvements have made an adjustment unavoidable.</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 align with the goal of providing safe, reliable service to members 24/7, 365 days a year. This study helps assess the financial needs of the cooperative and determine any necessary rate adjustments.</p> <p>In addition, factors such as power supply costs, distribution expenses and overall inflation are considered, as they all impact operational expenses.</p>
<b>How do CVEC's rates compare to other electric utilities?</b>	<p>Even with this increase, CVEC's rates remain competitive with neighboring utilities. As a not-for-profit cooperative, the goal is to keep costs as low as possible while continuing to provide reliable service.</p> <p>For perspective, CVEC's cents per kWh are lower than both the state average (13.3¢) and the national average (16.0¢). <i>Source: U.S. Energy Information Administration</i></p>
<b>How will my bill be impacted?</b>	<p>The rate increase will affect your bill based on your monthly electricity usage. Members who use more electricity may see a higher impact, while those who use less may experience a smaller increase. It's encouraged to review average usage to better understand how the change might affect bills.</p>

	<p>For a more specific estimate, feel free to reach out to our office. One of our Member Service Representatives (MSRs) will be happy to assist with calculations and answer any questions.</p>
<p><b>What is CVEC doing to keep costs down and future increases to a minimum?</b></p>	<p>At CVEC, the commitment is to provide safe, reliable and competitively priced electricity to members, while continuously manage costs. Efforts to keep future increases as low as possible include:</p> <ul style="list-style-type: none"> <li>• <b>Exploring cost-saving measures</b> and pursuing <b>efficiency improvements</b>.</li> <li>• <b>Competitively bidding all contracts</b> to ensure quality service at the best possible price.</li> <li>• Conducting <b>ongoing assessments</b> of daily operations to identify opportunities for streamlining and improving efficiencies.</li> <li>• <b>Comparing material costs</b> to ensure the best value for resources.</li> <li>• <b>Advocating for policies</b> that benefit members and help maintain financial stability.</li> </ul> <p>These combined efforts support the mission and help manage costs while delivering reliable service.</p>
<p><b>What is a service availability charge?</b></p>	<p>The service availability charge covers the basic daily cost of having service available at your location. This fixed portion of your bill helps cover the cooperative’s investment in essential infrastructure, including poles, wires, transformers, meters and the maintenance needed to deliver safe and reliable service to your home or business 24/7, 365 days a year.</p>
<p><b>What can I do to reduce my electric costs?</b></p>	<p>While CVEC finds it necessary to adjust rates, the cooperative is committed to helping members take control of their energy usage and improve energy efficiency. Here are some ways to reduce electric costs:</p> <ul style="list-style-type: none"> <li>• <b>Manage energy use</b> through the MY CVEC App.</li> <li>• <b>Utilize budget billing</b> to level out payments throughout the year, making them more predictable.</li> <li>• <b>Take advantage of energy efficiency rebates</b> to help offset the cost of upgrading to more efficient appliances or systems.</li> <li>• <b>Conduct an energy audit</b> to identify areas for improvement and implement suggested changes to save on energy.</li> </ul>
<p><b>Closing</b></p>	<p>Maintaining <b>reliable service</b> at a <b>competitive price</b> remains the cornerstone of our business. CVEC, along with our directors and employees, will continue working diligently to control costs and ensure the safe, reliable and competitively priced power you have come to expect.</p>



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Rate Classes	Current Energy Charge	New Energy Charge	Current Service Availability Charge	New Service Availability Charge
Residential – Rural & City	\$0.112/kWh	\$0.115/kWh	\$1.36/day	\$1.40/day
Small Commercial	\$0.112/kWh	\$0.115/kWh	\$1.36/day	\$1.40/day
Three Phase 100 – 500 kVA	\$0.048/kWh	\$0.050/kWh	\$3.95/day	\$4.07/day
Three Phase 500 – 1000 kVA	\$0.048/kWh	\$0.050/kWh	\$6.58/day	\$6.78/day
Three Phase 1000 – 2000 kVA	\$0.048/kWh	\$0.050/kWh	\$8.22/day	\$8.47/day
Three Phase > 2000 kVA	\$0.048/kWh	\$0.050/kWh	\$11.51/day	\$11.86/day