

Rate Adjustment Announcement

Most members will see minimal impact on bills



Alisha Anker
General Manager

Menard Electric is making a few adjustments to our rate schedules. Several things will change, so let's dive in.

In January 2023, the cooperative increased the Facility Charge to meet inflationary pressures and the rising costs of materials and equipment utilized in our distribution plant to provide service to our members. (The Facility Charge is a fixed cost on your bill that covers the cost of providing you electric service, regardless of how much electricity you use.)

You might recall that at that time we began running a Cost-of-Service Study to review our rate structures before making any other adjustments. We let you know that the Power Cost Adjustment (PCA) was forecasted to continue triggering and was expected to appear on bills throughout 2023. (The PCA cost reflects the difference between an upper action trigger built into our rate design and the actual 3-month rolling average cost of purchased power from our wholesale power supplier applied to the metered amount of electricity used during the month. Schedule PCA is available for review on our website.)

In 2023, 65% of the cooperative's total expenses paid for the power that is distributed to the membership. These purchased power costs alone increased 10.8% over the prior year. The Facility Charge increase combined with the PCA charge effectively allowed us to meet our needs in 2023. Now that the Cost-of-Service Study is complete, it is time to make an adjustment to the Energy Charge rates and rebase the PCA threshold.

The Electric Charge on bills is the cost for the electricity you use, measured in kilowatt-hours. It has been nine years since the cooperative last adjusted the rates utilized to collect the Electric Charge.

Effective with May 2024 Billings, a 1.5¢ per kWh increase will become effective for all residential and commercial rate classes. As an example, a majority of our members are on the cooperative's base rate, Rate 10, and will see their energy rate for the first block of 1,500 kWhs increase from 12.4¢ to 13.9¢. The second block of 1,500 kWhs will increase from 9.9¢ to 11.4¢.

This increase will be offset by a change in the PCA charge that has been implemented on bills consistently during the past 18 months. We will be rebasing the PCA no-action threshold by 1.5¢ per kWh in order for the PCA charge on members' bills to be eliminated, or at least greatly reduced, for the foreseeable future. In some of those most recent 18 months, the PCA has charged as much as 2.1104¢ per kWh, and on average in 2023 it collected 1.3239¢ per kWh. Our 2024 budget predicted that if the threshold was not changed, the PCA would add 1.65¢ per kWh to bills.

The bottom line is this: Resetting the PCA threshold and adding 1.5¢ per kWh to each block of energy will in effect be revenue neutral to the cooperative and have a minimal impact on our members' bills.

As an example, a member on Rate 10 who used 1,200 kWh in January

paid an Electric Charge of \$148.80 and an additional PCA of \$23.06, for a total of \$171.86. After this adjustment, for the same 1,200 kWh usage, that

same member would pay an Electric Charge of \$166.80 and no PCA. That is actually a \$5.06 reduction in the bill with this adjustment. The cost differences

will be minimal on most members' bills.

If there is anything the cooperative can do to further explain the adjustments or help with energy efficiency measures, please do not hesitate to call. Members interested in exploring budget billing and average billing are invited to contact us as those programs remain available.

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ENERGY EFFICIENCY TIP OF THE MONTH

Lengthen the life of your clothes dryer with regular cleaning. Clean the lint filter after every load, which improves air circulation and safety. Check the lint trap opening and use a vacuum to remove any lint that's fallen inside the opening.

If you use dryer sheets, check the lint filter for residue buildup. Remove any residue with hot water and a nylon brush or toothbrush. Over time, dryer sheets can leave a film on the filter, which can affect the performance of the motor.

New technologies for peak shaving

Replacing legacy load control systems



Brady Smith, P.E.
Engineering Manager

As head of the Engineering Department, I'm proud to report on the completion of a project which hits on multiple co-op strategic plan goal objectives, provides us a more acute real-time view of our system, and moreover, becomes the foundation for adding

advanced distribution management devices and technologies to the system, which delivers safe and reliable electricity to you.

Our new SurvalentONE SCADA system is in operation. SCADA stands for Supervisory Control and Data Acquisition — it is the combination of a software platform and hardware components. The system allows for centralized supervision and control of equipment throughout our service territory. The monitoring and control screens provide indication of equipment status, line voltage and load amperage data by

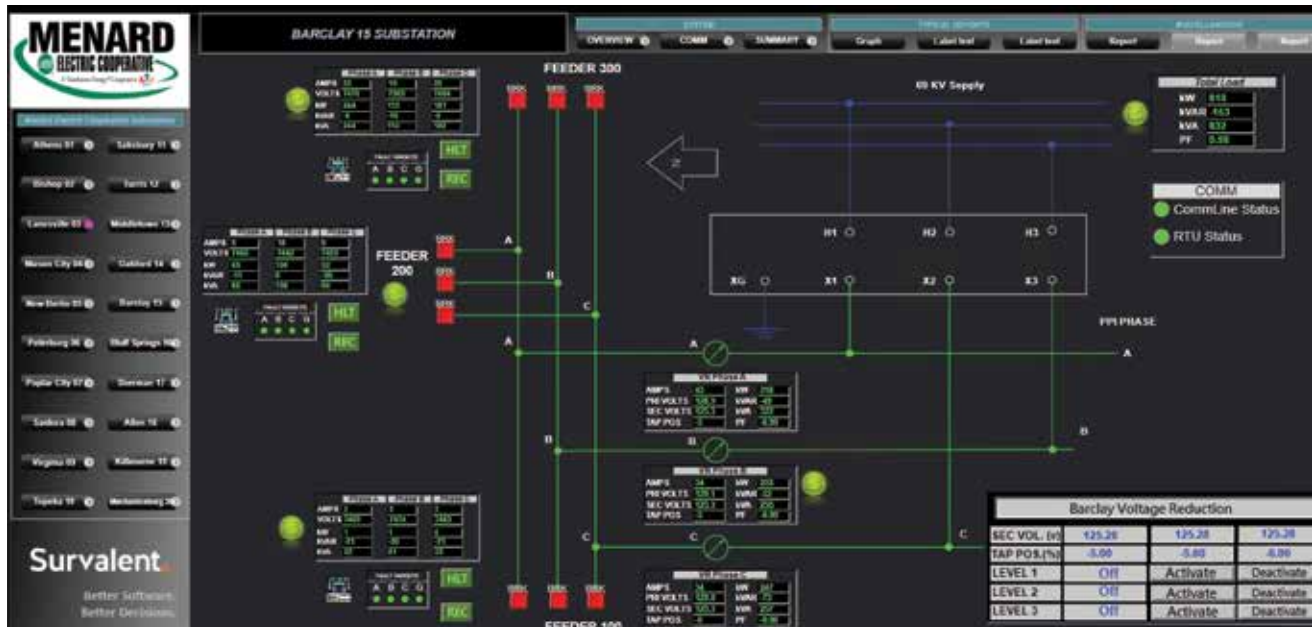
phase on all feeders. This feature will allow our outage management software to know immediately if a feeder breaker is OPEN or CLOSED when multiple outages are being reported, quickly giving our linemen a focused location to investigate for repairs and restoration. Analog data trends are also available in real-time to allow for event monitoring and post-event analysis.

Our former SCADA system, installed in 1990, has been running on life support for many years. One of the programs that will sunset with the former system is the load control program for members with electric water heaters. Members who participate in that program have a load control switching device installed and maintained by the co-op. These members endure the turning off of power to their water heater for several hours during pre-announced peak load periods. These often occur on hot summer afternoons and frigid winter mornings. The load control periods are suggested by our wholesale power provider as a recommendation for the

co-op to avoid high demand charges during that month. Members enrolled in this program have received a small incentive on their bills translating to a 2-cent reduction in their energy rate for up to 300 kilowatt-hours (kWh) used in excess of the first 1,200 kWh each month.

The new SCADA system allows us to utilize alternate load reduction measures that require no additional equipment or inconvenience to our members. During peak conditions, we now can perform load reduction by lowering the voltage at the substation by a few percent, which in turn leads to a lower demand.

As of April 1, 2024, members who have a load control device may either leave it on their water heater, contact the co-op to assist with safe removal, or safely remove it themselves and properly dispose. The water heater incentive rates will accordingly sunset with bills remitted during the month of May 2024. Feel free to contact the co-op if you have any questions.



This SCADA overview screen for our Barclay Substation provides a lot of great information at our fingertips.



Coffee on the CO-OP

TIME: 8:00-9:30 A.M.

JOIN US

this spring for coffee
& conversation

FRIDAY
MAR 1

ISAAC'S COFFEE SHOP
West Frederick Ave., Arenzville

FRIDAY
APR 5

COOL BEANS COFFEE & ICE CREAM
412 IL 125, Pleasant Plains

- ☪ Meet fellow members
- ☪ Chat about your co-op
- ☪ Ask questions

More days and locations to be announced soon!
All members are welcome! We hope to see you there!

Menard Electric Cooperative www.menard.com 800-872-1203 info@menard.com

Board highlights

For full minutes visit menard.com or contact the office.

Dec. 22, 2023

- All Directors present; also General Manager Alisha Anker & Attorney Charles Smith.
- Approved 2024 Budget.
- Approved Rate Consolidation Project timeline.
- Anker reviewed November monthly & YTD financial trends. Operating margins \$3,668,412 compared to 1,869,466 last year; equity at 43.03%; 12-mo TIER 3.76 & DSC 2.62.
- Reviewed Operations report w/47 incidents; longest duration of outage 259 minutes due to tractor hitting pole; largest # affected by single outage 121 due to another tractor vs. pole incident.
- 2023 Energy Efficiency Rebate summary presented.
- Block heater fixed charge updated.
- Approved \$500 donation to CFC Integrity Fund for purpose of protecting service territorial challenges.
- Awaiting response on FEMA Disaster public assistance grant.
- Approved recinding the Net Metering Policy amendment, approved last month but not yet effective, due to PPI Attorney notification.
- Board entered into executive session; reconvened; approved all actions.
- Next mtg 1/30/24.



Help us find members owed Capital Credits

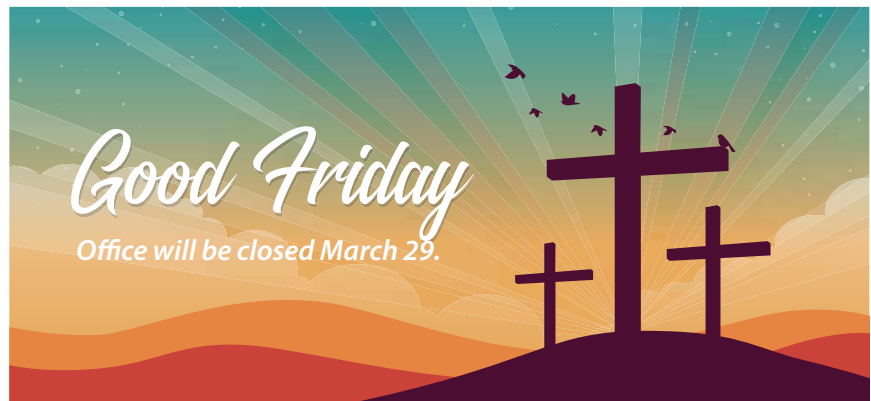
In 2023 your Board of Directors authorized a general retirement of Capital Credits earned by members who had active service with us in 2000, 2001 and/or 2002.

Active members received a July bill credit or a check. Inactive members were mailed a check. Some of those checks were never cashed. Sometimes members move and we don't have a good address, sometimes they pass away, and sometimes they simply overlook a check as junk mail or forget they have it! We want to make sure every member gets the capital credits due them.

You can help us by scanning this QR code to visit our webpage at www.menard.com/capitalcredits and view a listing of members' names with uncashed checks.

If you find a name you know, or if applicable their estate executor, please ask them to email info@menard.com with their name, address at time of service and current mailing address; or call 800-872-1203.

And remember to always keep your address with us updated even if you move off our lines for future capital credit returns.







Stay in the know



with notifications

Sign up for notifications through our **Online Bill Pay Site** to keep close tabs on your account.

-  **Bill Creation:** Notification that your bill has been produced and mailed, the amount now due, and a link to view it.
-  **7-day Due Date Reminder:** Notification reminder sent a week before your bill is due.
-  **Payment Receipt:** Notification that we received your payment.
-  **Cutoff Notice:** Notification that payment was not received and a cutoff notice has been produced and mailed.

Our Online Bill Pay Site is easily accessible through our website at www.menard.com or our MyMEC App. To select any of these notifications, access the My Account drop-down menu, click on Notifications, then select your choices.

Please note that bills are produced, mailed and due at the same times each month. Notifications like these are a handy way to keep track of your account with us and avoid any surprises due to vacations/traveling, mail delivery delays, payment snafus or other changes that life sends your way.

