Rachel Johnson, Member Relations Manager (00:16):

Welcome to Co-op Energy Talk. I'm Rachel Johnson, the member relations manager here at Cherry Land Electric Cooperative. And this year, cherry Land underwent an extensive process to analyze our current electric rates and develop a multi-year rate plan that will guide our rates over the next few years. This was really important to us to get it right because we do know it is a time of incredible just economic pressures, cost pressures, inflation pressures. So we wanted to make sure we had a very good plan in place to protect the financial health of the cooperative. Overall, the rate increase that we will be moving forward with in 2023 is a 6% increase in our electric rates. That is an average, and it doesn't really capture how each individual account will be impacted. So we wanted to hold a podcast to talk through the details, uh, of kind of just, we're looking specifically at residential rates in this podcast, but talk through some of those details and make sure we explain how different particular members might be impacted by that 6%.

Rachel Johnson, Member Relations Manager (01:08):

Uh, one thing I I also think is important to note as you think through that number is that the average electric rate inflation nationwide right now is 15.8%. So what that means is if you look at what is happening with electric rates across the country and average it in general, electric rates are going up almost 16%. We know that we are also in a period of generally about 8% inflation over the last year, over 2022. So we feel that while 6% may seem like a lot compared to what we've done in the last few years, uh, it, it really is very reasonable when put into the perspective of what we're seeing going on nationally. The other thing that we were able to do with this rate change that's coming up in 2023 is rebalance our rates to better reflect our cost to serve, specifically as it pertains to the interplay of fixed cost, which we capture in our availability charge and variable cost, which we capture in our energy charge.

Rachel Johnson, Member Relations Manager (02:02):

And I'll we'll explain that in more detail in the podcast, but there was a kind of a, a significant rebalancing that is a part of this rate change. And then finally, we were able to add a few new rates that we wanted to talk about in a little more detail on the podcast. We are adding a residential auxiliary meter rate. This rate is aimed toward people who have two meters attached to one residential membership, so a house with a pole barn being kind of the quintessential example of that. And then finally, after many, many years of people asking for it, we are finally in a position to offer an optional time of use rate. So, lots and lots of detail in this podcast. Tony and I, uh, sat down and talked about it recently. Kind of talked first about the process we went through. We'll share the insights that came out of the rate study that we did and then dig a little deeper into the details of what is specifically being proposed to the board.

Rachel Johnson, Member Relations Manager (02:45):

But a couple of things I wanted to, uh, put on your radar as our listeners, these, uh, rates that we're gonna talk through today. If you have questions or you want the details, I encourage you to go look at our website. If you go to Cherry Land's homepage, right there on the front page of it, of it, there's a big banner that says Rate change in you. And if you click on that, it will take you to a landing page that has all of the details, including a calculator where you can put the kilowatt hour usage from your most recent bill, and it will project what your most recent bill would be under the new rate change. So a really great tool for you for budgeting purposes. In addition to that, I wanted to put on your radar that the, uh, board of directors will be approving these rates in January, and before they approve them, there are two opportunities for you to engage with them.

Rachel Johnson, Member Relations Manager ([03:26]()):

First on Wednesday, January 18th at 5:30 PM at our office, we'll be holding an informational session. So we will have senior staff and also, uh, members of the board there just to kind of explain everything that's being proposed, answer any questions anyone has, and certainly take any feedback anyone has. And then again, on Monday, January 23rd at 9:00 AM prior to our regularly scheduled board meeting, we will hold a formal rate hearing where you're welcome to come and give input to the board. Once the board approves this rate change, it will go into effect starting in March, which means the usage that you have in March will be accrued at these new rates. And that means you will actually see it on your April bill. So if you have any questions about that, go check out the website, certainly reach out to us, and we're happy to, to help you think through how this will impact you. And, uh, hopefully we're able to answer a lot of the questions you might have in the upcoming podcast with Tony. Well, Tony, thanks for taking the time to meet with us here and go on the podcast and just talk about kind of where, why this rate change is happening and what, how we think it's gonna impact our members. That's, uh, that's really the goal of our discussion here today.

Tony Anderson, General Manager ([04:31]()):

Sure, absolutely. Happy to be here. The first reason it's happening is we haven't had a rate increase in five years, and as everybody knows, we've had a lot of infl inflation till then, and we'll get into that mm-hmm. <affirmative> as we dig down further. But the main thing about this rate increase is after the need, we, we wanna be fair to everybody, and we've really tried hard to align our fairness to our rates in, in this go around, something we've been trying to do for a number of years, and I think we've really got it done. Mm-hmm. <affirmative>, we can't have one rate class subsidizing the other, and I think we're gonna accomplish that in this change.

Rachel Johnson, Member Relations Manager ([05:03]()):

And that's kind of a, a really good place to start. Can you just, you know, you've, you've worked for co-ops for how long now? 30 years, 40

Tony Anderson, General Manager ([05:09]()):

Years ago. Oh, a long time. Like, yeah, almost 40. Okay. It was August of 83. So

Rachel Johnson, Member Relations Manager ([05:13]()):

You got a little bit of experience. Can you just tell

Tony Anderson, General Manager ([05:14]()):

Just a

Rachel Johnson, Member Relations Manager ([05:14]()):

Couple <laugh> kind of talk about like what is the general philosophy that guides electric cooperative rate making?

Tony Anderson, General Manager ([05:21]()):

Well, fairness, every rate class should be pulling its own weight. There are, we can identify costs to commercial accounts, residential accounts, seasonal accounts. Every rate class needs to be pulling as fair weight. We really try hard to, to be fair to every rate class. Mm-hmm.

Rachel Johnson, Member Relations Manager (05:36):

<affirmative> and, and because we're not for profit, that's, that's really kind of all we have to do is make sure that our costs are captured in a way that or that is most fair to the people who Sure. From whom we incur those costs.

Tony Anderson, General Manager (05:46):

It, it's really easy to raise rates higher to the commercial accounts who can't go anywhere else and probably don't feel it, but that's not fair. Mm-hmm. <affirmative>, you know, we can't have commercial accounts subsidizing residential accounts and Yep, absolutely. So we, we typically haven't around here and, and this puts us even closer to that.

Rachel Johnson, Member Relations Manager (06:04):

So for this particular, uh, year, this rate change, we worked with GDS Associates to help us analyze our current rates and our future needs. Mm-hmm. <affirmative>, they're an engineering firm that specializes in utility rate making. Can you just kind of talk about the experience with gds?

Tony Anderson, General Manager (06:18):

The experience with GDS has been wonderful over my 40 years. We, you can do rate cases internally, you can use your accounting staff and you can figure it out. Uh, some of the co-op banks in the country, they offer rate studies that they'll do for almost free, but they're not quite what you want or haven't been in my experience. So this time as important was as this was, it was my last one and we wanted to get it right. So we went with GDS and it's been the best experience in my 40 year career. They've did a great job and we have a great product that we can back up and defend all day long.

Rachel Johnson, Member Relations Manager (06:52):

Yeah, absolutely. And it, and it, and it was a really extensive process. I mean, we've been working with GDS for the better part of about eight months. Yeah. And I wanna give a, a really quick shout out to our team here at Cherry Land that worked on this as well. Uh, Brad Pavlosky, our controller, Frank, absolutely Siper our engineering operations manager, Mark Wilson, our cfo and also, uh, Jason Rice, our rates analyst plus the communications team have all been very involved in this process. Yeah. Along with gds.

Tony Anderson, General Manager (07:14):

Yeah. It should be noted that my name's not on that list cuz I was not involved in the nitty gritty

Rachel Johnson, Member Relations Manager (07:20):

Of this, applying that through O Mission Tony. Yeah,

Tony Anderson, General Manager (07:22):

I know. But I put my best people on it and they did a great job.

Rachel Johnson, Member Relations Manager (07:26):

Yeah. So very, very extensive process. The process we went through involved what's known as a revenue requirement study, which is really just a way of projecting your overall cost for the next few years. Like most businesses were experiencing cost pressures right now. Can you talk about what some of those cost pressures are that we, we knew, but we really were able to put numbers around in this process.

Tony Anderson, General Manager (07:44):

Yep. 70 cents of every dollar we spend goes to power supply. Power supply is going up 8% similar, similar to inflation. But Wolverine's done a great job of keeping rates stable over the years, but, um, inflation has hit them too. And, um, not their fault. It's just where we're at today.

Rachel Johnson, Member Relations Manager (08:01):

I don't wanna interrupt you, but I will say really quick. We did, uh, but you just did, I, I know <laugh>, but we did a two part podcast series on power supply costs. You did mm-hmm. <affirmative>. And I would just let our listeners know if you're interested in learning more about those power supply cost pressures, check out episodes 12 and 13 of this season. But the real takeaway there is incredible volatility and power supply markets Absolutely. Right now and going forward. Yeah. So talk about some of the other cost pressures as well.

Tony Anderson, General Manager (08:24):

That is a great point to, um, we do have some podcasts that set that up Well, other cost pressure, supply chain issues. Every, you hear that every day. I'm just gonna repeat that. They, they've hit the electric union industry pretty hard from 2017 to 2021. Underground cable is up 49%. Overhead wire is up 88%. Transformers are up 32% and bucket trucks are up 28% if you can get a bucket Truck bucket trucks were, we used to order and get them in six to eight months. We're, we're now at three years for a bucket truck. So we're also gonna see some increased maintenance on the trucks we have cuz we literally cannot get any for, uh, the next three years. And then other cost pressures are mi our automated meter reading system is, uh, 2006 vintage and it's reaching its end of life or has reached its end of life.

Tony Anderson, General Manager (09:12):

So next year we're gonna start a three year project to replace that. That's $8 million we need to spend over the next three years and that starts next week and we'll capitalize that. But that just means our interest rates are gonna go up cause we're gonna have to borrow some of that money, probably 5 million of that money. And then when we put 8 million into our capital, uh, projects, depreciation's gonna go up. So interest and depreciation are expenses that affect our rates and there are two of the top five expenses that hit our rates. So those are gonna go up. We are projecting some, uh, continued load growth, which will offset some of this and help our cash flow as well. But power supply people interest rates, depreciation, those are four of our top five expenses and they've all gone up significantly.

Rachel Johnson, Member Relations Manager (09:58):

Yeah. And, and the takeaway there just being all of the cost pressures that you all out there are seeing and feeling in your daily lives. We're seeing and feeling here in an incredibly capital intensive and infrastructure intensive business. Um, but I also think that it's almost amazing when you list off all of those cost pressures and all of those increased costs that we're able to still come in with what's kind of, if you, if you levelize it across the entire membership about a 6% increase. Yes. That, that, that's a really impressive ability to manage those cost pressures in a way that, that i I I think we have a lot to be proud of.

Tony Anderson, General Manager (10:32):

Oh, I, I'm, yeah, it's, it's kind of funny to say you're proud of a rate increase, but that's the exact point. A 6% rate increase when we haven't raised rates in five years and everybody knows what inflation has done the last three years. Uh, yeah. I'm extremely proud of how we've managed this and how everybody on the team has managed our expenses over the last five years that we've got it down to down to 6%.

Rachel Johnson, Member Relations Manager (10:54):

Absolutely. So, so 6% is kind of that number. But after we had that, you know, here's all the cost projections and increases coming forward. So you're gonna need to collect revenue to cover those costs. The next step with GDS and our team here at Cherry Land was to figure out how best to collect that revenue in a way that meets that philosophy we talked about at the beginning of the podcast. So it's fair, it doesn't subsidize across rate classes, it reflects the actual cost to serve those rate classes. So I, you know, I, let's kind of talk, can you talk through what we found and kind of specifically talk through this, this balance between fixed cost and variable costs?

Tony Anderson, General Manager (11:25):

Sure. Uh, customer re related costs. Our, our revenues typically right today are collecting 3% of our customer related costs.

Rachel Johnson, Member Relations Manager (11:33):

So 3% of the revenue that comes into the cooperative comes from, in this case a fixed charge. A revenue related charge.

Tony Anderson, General Manager (11:40):

Yeah.

Rachel Johnson, Member Relations Manager (11:40):

A fixed, I'm sorry, a customer related charge.

Tony Anderson, General Manager (11:42):

The availability charge, the rest of the revenue is coming from energy and demand charges. And, and in the residential case, it's predominantly energy cuz we obviously don't have a residential demand, but, but our expenses, 21% of our expenses are allocated to fixed costs is what the study showed. Mm-hmm. <affirmative> not 3%, 21% are allocated to fixed costs and 79% of our costs are related to the energy and demand components. And that's the balance we had to, we had to get focused on and, and reallocated.

Rachel Johnson, Member Relations Manager (12:12):

So the, so basically the takeaway there is we were collecting a lot of what are fixed cost in variable charges mm-hmm. <affirmative> and the, and we knew that that wasn't a surprise, but it helped us put real numbers around that. And the recommendation and what we were, you know, what we were already planning on from GDS was you really should collect fixed cost in a fixed revenue charge or fixed charge. Yeah. And variable cost and a variable charge.

Tony Anderson, General Manager (12:35):

Yeah. We, we've known our availability charge has been low the entire 20 years I've been here mm-hmm. <affirmative>. But we've always had a goal of let's do two to $3, uh, a two to $3 increase in availability charge every time I, we raise our rates and we've done that since I, I've been here. The problem with that strategy is when you don't raise your rates, but every five years or, or longer as we've done, you don't get to balancing your true costs with fixed versus variable mm-hmm. <affirmative>. And that's, that's on me. It's been a philosophy we've had and, uh, we, we just can't keep it up.

Rachel Johnson, Member Relations Manager (13:09):

So we, we had gone through this process, figured out what our costs were, figured out where we were incurring our cost, figured out how to balance that. So the next step is to design rates that help us accomplish that goal of collecting, you know, from each race cost based on their, the, from each rate class based on the cost that they incur. 95% of our members are residential. So I I I'd like to kind of start there. Can we Sure. Focus on them and talk about what in our general residential rates our members can expect out of this rate change?

Tony Anderson, General Manager (13:37):

Absolutely. Uh, today our avail availability charge is $18 a month. Our cost of service study shows that that should be $28. So instead of going $3, we're gonna go the full 10 and get this right. Finally, cuz we've shown that the last 20 years hasn't worked. So we're going from $18 to $28 on the availability charge. On the energy side, our current energy is 11.91 cents per kilowatt hour. We're gonna drop that down just very slightly to 11.70 cents. The other significant thing to remember is that monthly power supply cost recovery charge that is variable and changes month to month. We're gonna take that to zero for as long as we can and that drops another 0.008% off the energy charge. So essentially with all those points and zeros, our energy charge is gonna go down by a penny. Availability charge goes up by 10, energy charge goes down by a a penny and we end up with our average customer ends up with a, a rate increase of 2.7% in the residential rate class. That's 700 kilowatt hours, 2.7% increase, I believe that equates to $2 and 93 cents a month to the average member.

Rachel Johnson, Member Relations Manager (14:48):

Yeah. And one of the things I'll, I'll, so you know, there's a lot of numbers we're thrown out around right here just to kind of help people understand how it'll impact them. But if you are listening to this podcast, I would really strongly encourage you to go check out our website. Uh, if you go to the homepage, there's a little banner that says rate change in you. If you click on that, it'll take you to, uh, home like a landing page that gives all this information. But perhaps most importantly it has a little calculator where if you input the kilowatt hours you used last month into that calculator, it will give you a comparative bill mm-hmm. <affirmative> of what you would pay under the current rates and what you'll pay under the future rates. And the reason that's really helpful is because when you are making this rebalancing from fixed, from variable to fixed, it impacts members differently depending on how much they use. Correct. So it's really hard to kind of give generalities, it's very specific to that member's usage, but you can find all of that information specific to your account on our website. Uh, one of the questions that we commonly get when we raise the availability charge is whether this will disproportionately impact low income or income constrained members. What we actually find is that the opposite is generally too true. Can you explain why? Sure.

Tony Anderson, General Manager ([15:52]()):

That's a, that's a reaction we got from a number of people when we first rolled out this, uh, rate increase in our e-newsletter. And when I remind them of things like low income people live, unfortunately in less efficient housing they have, they typically have more than multiple people, you know, multiple families sometimes in the home. And when their propane is shut off, they go to electricity and plug in a a space heater and that type of thing. Our experience here over the last 20 years is a low income people use more than the average electricity. And when you use more than the average, your rate under this new change, your rates will go down. If you use a thousand kilowatt hours, which is, uh, 3% al not quite 50% over the average, you're gonna see, uh, just a slight decrease. You know, I believe it's 10 cents or Yeah. It's, it's uh, 10 cents. So basically a flat increase at a thousand kilowatt hours, at 1500 kilowatt hours, you're gonna save $5 a month. And so it's that type of thing. Once you're over 700 kilowatt hours, you're gonna see a different less cost. And so we feel like we're being fair to the low income people mm-hmm. <affirmative> because they sometimes are the ones who use the most.

Rachel Johnson, Member Relations Manager ([16:58]()):

Yeah. And, and, and again, like the, the, the overarching philosophy being fairness in terms of how we charge people, but we're also very aware of the fact that for some people energy is a disproportionate part of their monthly expenses. And so knowing that this rate increases not targeting or unfairly making it harder, increasing the energy burden, if you will on our low income members is, is helps, I think, alleviate some people's concerns. So also on the kind of residential side of things, we've added two new rates to our residential offerings, uh, a residential auxiliary rate and a time of use rate. But let's, let's start with this residential auxiliary rate. It's a little complex from a technical perspective, but I, I always just wanna kind of touch on it and then we'll just refer people to the website for more information. But can you just kind of generally explain what it is and why we added

Tony Anderson, General Manager ([17:42]()):

It? Yeah, sure. Yeah. As everybody knows across our system there's barns and pole barns next to the house or in, in on the same property as the house. And often these barns and pole barns have a second meter. We've always classified that as something we call general service and they've paid, uh, a separate availability and a separate energy charge. And that's all good and fine. We're happy to do that. We do that all over the place. But when we did this cost of service study, we looked at, well if we're raising the residential to $28, what about this second meter? We have poles, wires, and transformers to serve the house. $28 is paying for those. The second meter only pays for the wire and stuff that is associated with that pole barn or that barn. So it shouldn't be $28 for that second meter. So the general service rate class, we're, we're dropping the availability charge down to $14 and 50 cents a month

Rachel Johnson, Member Relations Manager ([18:33]()):

For the auxiliary meters. For the

Tony Anderson, General Manager ([18:35]()):

A auxiliary meter. For the auxiliary meter, the second meter on the property. Mm-hmm. <affirmative>. Yeah. If you're a general service and you have a pole barn all by yourself,

Rachel Johnson, Member Relations Manager (18:42):

That's its own. That's

Tony Anderson, General Manager (18:43):

Its own. Yeah. We got poles and wires serving one meter, you're gonna pay $28 for that one. Mm-hmm. <affirmative>, it's the auxiliary meter, the two meters within close press proximity on the same property mm-hmm. <affirmative> belonging to the same house typically. Mm-hmm. <affirmative>. But the energy charge is gonna be the same for the both general service energy charge is the same as the residential energy charge. So we feel like we've got that long lasting, long lasting hope it doesn't last but a long time complaint of why am I paying the same avail availability charge when the meters are literally mm-hmm. <affirmative> 200 feet or a hundred yards from each other. Yep.

Rachel Johnson, Member Relations Manager (19:15):

Yeah.

Tony Anderson, General Manager (19:16):

And, and they're right. So we're fixing that

Rachel Johnson, Member Relations Manager (19:18):

And, and like I said, there's a lot of technical complexity with this particular new rate class. And so, uh, just two two items to note. One, you don't have to worry about whether or not you qualify or don't qualify. We're auditing our whole system and we will automatically put you onto this rate if you qualify mm-hmm. <affirmative> and you'll receive a, uh, a con communication with us in the early springtime letting you know that you are now on the auxiliary meter rate. So just that's, that's something to keep in mind. And like you said, Tony, it's really just meant to reflect people for whom there are two meters served by the same residential trans residential sized transformer. Yeah. And so the infrastructure cost better reflects the actual infrastructure cost with that $28 residential availability charge and the 1450 auxiliary meter charge.

Tony Anderson, General Manager (19:59):

Yeah. Typically in those situations, the transformers size bigger mm-hmm. <affirmative> because there's two meters and then two different uses. Those two meters together need to cover the cost and we, we've divided that out and Yep.

Rachel Johnson, Member Relations Manager (20:09):

So more details about that on the website. But the other, um, kind of residential offering that I wanted to talk about as we kind of conclude our podcast here today, we've had members telling us for years that they really want, wanted a time of use rate. And we're finally in a position to offer, uh, an optional, not mandatory, an optional time of use rate for those members who might think it will help them or something they'd be interested in. So the way that the kind of rollout of it will work, uh, members will be able to sign up to indicate their interest when the rate change goes into effect in March. And then over the summer we're gonna work through some of the technical and metering details of this particular rate class. And we'll likely have members enrolled in the rate sometimes sometime, sometime next fall. So while there are still some details to iron out, can you just give us an overview in general of how the optional time of use rate will work?

Tony Anderson, General Manager (20:54):

Sure. It, it's just like it says time of use. There's gonna be different rates for the time you use your electricity and we have to, we, we get billed from our power supplier for peak demand. So that's the time we want you to not use our electricity. I hate to say not use our electricity <laugh>, but that's what time of use does. We want you to use electricity at a different time and offer you an opportunity to save money. So during this study we, we defined two blocks of time during the year, may through September. We're gonna try, anybody who signs up for this rate, it's gonna be 2:00 PM to 6:00 PM and October to April it's gonna be 5:00 PM to 9:00 PM Those are our, our blocks of time. We want to get you to use less energy mm-hmm. <affirmative> because when everybody, if everybody would sign up for the rate and do that, we could save on our power bill.

Tony Anderson, General Manager (21:44):

And again, our power bill is 70 cents of every dollar we spend. So we're trying to get people off that peak, which is a big cost to our, our monthly power cost. So the service charge is gonna be $28 a month for the time of use rate. And if you have an auxiliary meter and you wanna do time of use there, cuz maybe you have a heat pump or maybe you're doing something periodically in your barn or pole barn that's gonna be $14 and 50 cents. But the kicker to the time of use rate, if you're on, if you're using electricity on peak, it's 20 cents a kilowatt hour. Um, not quite double the regular residential rate, but off peak is gonna be 9.60 cents. Mm-hmm. <affirmative>. So why is it so high? Well there has to be incentive to get you off and that that's our cost on peak. You know, we don't charge 20 cents to everybody cuz we're recovering it over in an average we're at 11 seven that we're gonna be at. But if you wanna be aggressive and move off the peak, we have to give you an incentive. And your incentive is to get cheaper electricity at 9.6.

Rachel Johnson, Member Relations Manager (22:42):

Sure. So it's 8 cents more per kilowatt hour for every kilowatt hour you use on peak than it would be if you're on the just standard rate. But you save 2 cents for every kilowatt hour you use off peak mm-hmm.

Tony Anderson, General Manager (22:53):

<affirmative>, which is most of the time, which is 20 hours of the day when you take that four hours out. So it, it's, it's significant and it could be if you, you

Rachel Johnson, Member Relations Manager (23:01):

Know, especially if members can move, move their um, their usage. And one of the things that we will do, for those of you who indicate an interest, we're gonna work on some tools that can be made available to you to before you, you commit to the rate to ensure that you are able to make the changes necessary to, um, to capture those savings. Cause that's, that's

Tony Anderson, General Manager (23:19):

Key. Yeah. If you commit to this rate you're committing for a long period of time, we can have people jumping off this rate from months to month. It's gonna be what, what we decide 12 months

Rachel Johnson, Member Relations Manager (23:29):

Or Yeah. Right now we're looking at a year, but we're still working on the details of

Tony Anderson, General Manager (23:31):

That. Yeah. So watch for more coming out this fall. But those are the rate blocks. Mm-hmm. <affirmative> two to six and five to nine mm-hmm. <affirmative>. And, and also it's important to note that this is voluntary. We're not gonna force anybody to this rate. This is for, for the people who have been asking for it and the people who are interested in moving their time and have that ability. If you say, well I come home at five o'clock, I don't have any ability, I don't, I don't wanna wash my clothes after nine, that's fine. We have a rate for that too. And that's our regular residential rate. So don't anybody panic you, you could, you don't have to change your lifestyle unless you choose to. And we're trying to make that incentive cuz it does benefit everybody if we can get more people to that rate at the same time.

Rachel Johnson, Member Relations Manager (24:09):

Yeah, yeah. Absolutely. And again, just a another option, another tool in the toolbox if you will. Absolutely. And so that's, you know, kind of, there's a lot of other rate classes that we serve and again, if you're interested in those details, if you happen to be a commercial member who's taken the time to listen to this podcast, we thank you. But you can find the details of how of your particular rate class all on that webpage that I mentioned earlier in the podcast. But my overall kind of like, my overall takeaway of we as we've talked through this Tony and as I participated in the process throughout the last year or so, is that we are moving forward with a, a rate proposal that really truly aligns our cost with our revenue that avoids subsidization, that is fair to everyone involved, that offers more options for our members that positions us to be successful in the future. And my favorite fun fact, the national electric rate inflation rate for last year was 15.8% and our rate increase at 6% compared to that and also 8% inflation, I think is a really, really important testament to the work we've done here. Yeah. To meet one of our core mission statements of providing affordable power

Tony Anderson, General Manager (25:13):

For our members. Oh yeah, absolutely. I, I'm happy to listen to anybody who's upset over this rate increase, but you have to know, I, I'm sitting there thinking this is the best we can do and I'm really proud of this. This is a, it's a low number. Mm-hmm. <affirmative>. Yeah. It's a rate increase, but it's a cup of coffee. It's less than a cup of coffee. I just bought a cup of hot chocolate downtown and it was more than $2 and 93 cents better

Rachel Johnson, Member Relations Manager (25:35):

Have been good hot chocolate.

Tony Anderson, General Manager (25:36):

It was

Rachel Johnson, Member Relations Manager (25:36):

Okay. Did it make your life as good as electricity? Cuz I

Tony Anderson, General Manager (25:38):

Love electricity. No, no. I, I, I can get so much more done with the electricity. I spend $2 and 93 cents on then that cup of hot chocolate, but yeah. Yeah. Happy to listen to you. But I'm proud of what we've gotten done, proud of what the team's gotten done and proud of after five years and no rate increases, this is where we're

Rachel Johnson, Member Relations Manager (25:55):

At. Yeah, absolutely. Definitely a, a a, a good, a good path forward and it sets us up for a lot of successes in the future. So thank you. Thank you very much for taking the time to come in and explain it. And I, again, I know we talked through a ton of detail, don't worry about the detail, focus on the message. And if you want more information that's specific to the details, go check out that website. Join us next time for more co-op.