

SEC Announces Rate Increase - Community Meetings planned to discuss details

While the SEC Board of Trustees have managed your cooperative expenses for the last seven years without a rate increase, the fixed costs for providing your electric service have increased while the energy sales for SEC have been in a gradual decline for some time. In 2016 the SEC Board of Trustees and Management commenced a very dedicated review of all operating expenses and the reduction in revenues from declining energy sales. The Board of Trustees also hired a consulting firm to conduct an independent Cost of Service Study (COSS). The COSS not only identifies the contribution by the respective rate classes to the margins - Residential, Small Commercial, Large Commercial, Irrigation and Area Lighting – but it also reviews each rate design in an effort to recover an equitable rate of return from each rate class.

At the August 22, 2018 Board Meeting, the Trustees approved a resolution adopting the findings of the analysis produced by the COSS which identifies those changes which appear necessary to recover increased costs, maintain adequate financial ratios and promote rate equitability between the various consumer rate classifications at SEC. SEC will be applying to the PRC for an increase of approximately 5.06% or \$1,249,993 in revenue annually. This will be the first increase in base rates for SEC in over 7 years with the current rates being in effect since March 5, 2011. The SEC Board of Trustees have directed the General Manager to educate our Members about this process and provide greater detail on the impact of the proposed rates. To accomplish this, SEC will be conducting several Community Meetings in various locations of our service area. More details about the proposed increase and the locations, dates and times of these meetings will be forthcoming in the September Co-op Corner newsletter included with your billing statement.