

rates and leaving the facility charge the same, but that would basically ask some members (those using typical amounts of power) to pay more than their fair share of the cooperative's fixed costs," Martian says.

So what will the rate increase mean in terms of dollars and cents? For example, let's look at a residential customer using 1,100 kilowatt-hours a month. First of all, the monthly facility charge is going to increase from \$8 a month to \$26 a month. For the year, that's an increase of \$216. At the same time, the cost of energy is going to be reduced from 8.4 cents a kilowatt-hour to 7.1 cents. For 1,100 kilowatt-hours, this is a monthly reduction of \$14.30. For the year, this would reduce power costs by \$171.60.

In this example, the customer's yearly cost is going to increase \$44.40, or \$3.70 a month (\$216/year increased facility cost - \$171.60/year reduced energy costs = \$44.40).

"Our monthly facility charge was the lowest in the state," Martian tells. Other electric cooperatives' monthly facility charges range from \$9-\$32.

The increase in the monthly facility charge will bring the cooperative a little closer in fairly distributing fixed and variable costs to the membership.

Martian believes as wholesale power costs continue to climb, further increases in the monthly facility charge may be necessary.

"Even at \$26 a month, the facility charge does not cover all fixed costs," Martian says.

Special electric rates for electric heat and water heating will remain unchanged. This is good news for the 2,800 members who use electric heat. However, the monthly facility charge for these rates will increase \$1 a month for seven months, effectively increasing the yearly heating cost by \$7.

"Our power supplier provides us special rates for electric heat and we simply pass those low rates on to our members," Martian explains.

Other rate classes besides residential users will also see an increase in the monthly facility charge. Three-phase accounts will increase from \$20

RESIDENTIAL SERVICES	
Current rate format	Rate format effective July 1, 2010
Monthly facility charge \$8	Monthly facility charge \$26
1st 1,100 kwhs @ 8.4 cents/kwh	All kwhs @ 7.1 cents/kwh
Over 1,100 kwhs @ 7.1 cents/kwh	
THREE-PHASE SERVICES	
Monthly facility charge \$20	Monthly facility charge \$60
1st 1,100 kwhs @ 8.4 cents/kwh	All kwhs @ 7.1 cents/kwh
Over 1,100 kwhs @ 7.1 cents/kwh	
OIL PUMPING SERVICES	
Monthly facility charge \$20	Monthly facility charge \$80
1st 3,000 kwhs @ 8.2 cents/kwh	All kwhs @ 7.5 cents/kwh
Over 3,000 kwhs @ 7.5 cents/kwh	
OFF-PEAK GRAIN DRYING SERVICES	
Monthly facility charge \$11	Monthly facility charge \$33
All kwhs @ 4.6 cents/kwh	All kwhs @ 4.6 cents/kwh

a month to \$60 a month. Oil pumping services will increase from \$20 a month to \$80 a month. Off-peak grain drying accounts will go up from \$11 a month to \$33 a month.

"Our management staff and the board of directors have taken an in-depth look at our electric rates; we've looked at several options and think this is the fairest solution," Martian believes.

"Obviously, we don't want to have to increase electric rates, but our wholesale power costs continue to climb, leaving us no choice," he says. The cooperative enjoyed rate stability for a long time, with no rate increases from 1985 to 2008. Unfortunately, those days of rate stability are over.

The cooperative timed the rate increase for July, to help people get through winter, when electric bills are typically higher. Management staff also wants plenty of time to let people know about the rate increase, and it will be discussed at this month's area information meetings March 29 and 30.

"I encourage people to call the cooperative if they have questions about the rate increase," Martian says. The cooperative's phone numbers are (701) 228-2202 or (800) 247-1197.

Electric heat rates remain **STABLE**

Although electric rates from North Central Electric Cooperative are going up an average of 9 percent with the July 1 electric billing, the good news is that electric heat rates will remain unchanged.

More than 2,800 cooperative members receive a special low electric rate for using electric heat.

As mentioned, the heating rates will remain unchanged, although the monthly base charge will be increased by \$1. This will result in a \$7 a year increase, as the cooperative only charges the base charge during the seven months the special heating rates are in effect.

The cooperative's special heating rates are less costly to heat with than propane or fuel oil, making electric heat the number one choice among cooperative members.

If you have questions about the special electric heat rates from the cooperative, call (701) 228-2202 or (800) 247-1197.