



# Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

# FAQs

## 2021 Bill and Rates

### Why is Jo-Carroll Energy raising rates in 2021?

Today, like our members and most other businesses and organizations, we are paying more for materials, products and services. Every year, we analyze costs for providing service and our rates to recover them.

### How much is the minimum monthly charge?

The minimum monthly charge is the total of the facility charge and the member service charge.

For single phase electric service this is \$37 (which is an increase of \$2):

$$\text{Facility Charge} + \text{Member Service Charge} = \text{Minimum Monthly Charge}$$
$$\$32 + \$5 = \$37$$

For residential natural gas this is \$24 (increase of \$2) :

$$\text{Facility Charge} + \text{Member Service Charge} = \text{Minimum Monthly Charge}$$
$$\$19 + \$5 = \$24$$

### When will I see the changes in rates effect my bill?

The new rates will be reflected on the bills you receive on or after April 7, 2021.

### What is the facility charge?

As a distribution cooperative, many of our expenses are related to the delivery of energy to you - or in other words - the basic cost to provide energy. The facility charge covers most of the costs incurred for the systems that carry electricity or natural gas. This includes power lines, pipelines, trucks, labor and other expenses the Cooperative incurs ensuring energy is available when you need it, no matter how much energy is sold.

### Why has the electric facility charge increased?

An increase in the facility charge to help us recoup operating costs allows members to reduce their energy use without impacting the revenue we need to operate, provide system maintenance and make needed improvements that keep our systems safe and reliable.

### What is the member service charge?

The member service charge is a flat fee that covers administrative costs of managing members' accounts. This includes billing, postage, facilities, software systems and personnel. *This charge did not change.*

### For residential rates, what in dollar amounts am I looking at for an increase?

An electric member who uses 750 kWh per month, which is the average usage for a residential account, will see an increase of about \$9.50 on their monthly bill.

A residential natural gas member who uses 95 CCF per month or 100 therms will see an increase of about \$4 on their monthly bill. A residential natural gas member who uses 125 therms per month will see an increase of about \$5 on their monthly bill.

# FAQs Continued

Green = Distribution    Orange = Purchased Energy

SINGLE PHASE ELECTRIC RATE			
Rate	Current	Revised	Change
Facility Charge	\$30 per month	\$32 per month	Increase \$2 per month
Member Service Charge	\$5 per month	\$5 per month	No Change
Delivery Charge	\$0.02750 per kWh	\$0.03750 per kWh	\$0.01
Energy Charge	\$0.03500 per kWh	\$0.03500 per kWh	No Change
Generation Charge ≤ 1500 kWh	\$0.04500 per kWh	\$0.04500 per kWh	No Change
Generation Charge > 1500 kWh	\$0.01800 per kWh	\$0.01800 per kWh	No Change
Transmission Charge	\$0.01750 per kWh	\$0.01750 per kWh	No Change
Power Cost Adjustment	\$0.00306 per kWh	\$0.00306 per kWh	(can fluctuate up or down)

THREE PHASE ELECTRIC RATE			
Rate	Current	Revised	Change
Facility Charge	\$100 per month	\$100 per month	No Change
Member Service Charge	\$5 per month	\$5 per month	No Change
Delivery Charge	\$0.02000 per kWh	\$0.03 per kWh	Increase 0.01
Energy Charge	\$0.03500 per kWh	\$0.03500 per kWh	No Change
Generation Charge ≤ 1500 kWh	\$0.04100 per kWh	\$0.04100 per kWh	No Change
Generation Charge > 1500 kWh	\$0.03950 per kWh	\$0.03950 per kWh	No Change
Transmission Charge	\$0.01250 per kWh	\$0.01250 per kWh	No Change
Power Cost Adjustment	\$0.00306 per kWh	\$0.00306 per kWh	(can fluctuate up or down)

NATURAL GAS RATE 42			
Rate	Current	Revised	Change
Facility Charge	\$17 per month	\$19 per month	\$2
Member Service Charge	\$5 per month	\$5 per month	No Change
Delivery Charge	\$0.36 per therm	\$0.38 per therm	\$0.02 per therm
Energy Charge	Varies Monthly	Varies Monthly	

NATURAL GAS RATE 43			
Rate	Current	Revised	Change
Facility Charge	\$25 per month	\$25 per month	No Change
Member Service Charge	\$5 per month	\$5 per month	No Change
Delivery Charge	\$0.29 per therm	\$0.33 per therm	\$0.04 per therm
Energy Charge	Varies Monthly	Varies Monthly	

# FAQs Continued

## **How do Jo-Carroll Energy's rates compare to other cooperatives [other utilities]?**

The average combined residential monthly facility and member service charge of the 24 electric cooperatives in the Association of Illinois Electric Cooperatives was \$40.70 in 2020. We are currently the seventh lowest.

## **Why am I charged an energy charge and a generation charge on my electric bill?**

The energy charge consists of the kilowatt hours of energy used by a member. The generation charge is the kilowatts of capacity required to meet demand requirements. Based on a member's kWh use, it can be seen as the long-term investment for the steel-in-the-ground facilities of the power supplier.

## **I have multiple accounts with different rates. Why am I charged a different delivery charge for each of my accounts?**

Different service types require different sized transformers, conductors and other equipment. The costs associated with the different equipment are covered only by members who have these accounts. This is the most equitable and fair way to allocate costs across all members.

## **Why are we being charged a Power Cost Adjustment (PCA)?**

The rates are developed based on historic data. The PCA is determined by how much the monthly power cost per kWh is above or below the base power cost. The PCA can go up or down or remain the same.

## **How do you expect people on fixed incomes to pay for this?**

We offer our members on fixed incomes a three-pronged approach to managing their bills:

- Education and awareness of their use
- Conservation through energy efficiency programs
- Assistance through Low Income Heating Energy Assistance Program (LIHEAP) and our Neighbor to Neighbor Care Funds when appropriate.

Members are encouraged to be proactive if they are having trouble paying their energy bills, as staying current will minimize additional fees.

## **How will this affect members on budget bill?**

If nothing else changes and their use remains the same, members on budget bill will see a small increase on their May bill; amounts will then recalculate in November. If the member would like to assume a 5% increase on their base this can be done to minimize a true-up in the fall due to the increase.

## **What is JCE doing to reduce future increases?**

We continue to add new technology to increase work place efficiencies. These include outage management, AMI, SCADA and other business systems.

We continue to develop programs that grow revenue and increase membership where we can. Increasing our number of members is the best way to stabilize rates. Fiber is a good example. We also strongly promote economic growth, which can lead to more jobs and members that we can spread our fixed costs across.

Some factors are out of our control, including the annual rate of inflation. This increase impacts what we pay for materials, equipment and services. You have probably experienced this impact in your own household.

Electricity and natural gas are still one of the greatest values. According to the U.S. Bureau of Labor Statistics, average annual price increases between 2013 and 2018 for rent has increased 3.6%, for cable and satellite TV 3% .

## **Why does JCE have to maintain margins?**

Margins provide the cash flow to operate the cooperative—in equipment and conducting day to day business.

## **Am I able to request a change in my current rate class?**

The type of service you require determines your rate class. If you believe that your rate class does not accurately represent the type of service you are receiving, please contact our Operations Department at 800-858-5522.

## **What are the requirements for going on the electric heat rate?**

The electric heat rate is available to single phase service accounts that meet additional requirements:

- Electric heat shall be the primary source of heating in the residence.
- The member shall have permanently installed residential electric heating equipment of 5,000 watts or more or a geothermal system.
- The member shall have at least two major electric appliances in use—other than the electric heat. Major appliances include an electric range, built-in electric range and oven, electric water heater and electric clothes dryer.
- Fifty percent or more of the electrical use is for residential purposes.

Jo-Carroll Energy reserves the right to inspect the member's service to determine that all of the requirements are met.

## **What are some ways I can manage my bill?**

Jo-Carroll Energy offers various bill payment programs including budget billing and levelized billing. A budget billing plan allows you to pay the same amount each month, based on your previous 12 months of service. Levelized billing uses a "rolling average". While the amount due will vary from month to month, this plan can help take the shock out of your energy bill during extremely cold or hot weather.

There are many steps members can take to lower their monthly energy costs. With the helpful tools and resources Jo-Carroll Energy offers, using energy wisely is easier than you think. We can work together to use energy efficiently. You can find energy saving information on our website and at TogetherWeSave.com.

Jo-Carroll Energy offers members free phone consultations with our energy advisor and an extensive energy efficiency incentive program. For more information about these programs, contact our energy advisor John Scott at 800-858-5522, ext. 1339.

## **I understand that many of the costs for energy are passed through from generation and transmission companies. But, what can I do as a member of Jo-Carroll Energy to help lower these costs for all members?**

Energy costs are calculated by power providers based on peak use. Peaks refer to the time of day when the most energy is used. During the summer, this can occur between 11 a.m. and 7 p.m. During the winter the peak may occur in the colder, evening hours from 4 to 10 p.m. Performing certain chores during offpeak hours or on weekends can help reduce the cooperative's overall peak consumption and overall costs. By changing your home's energy habits, you can help reduce the cooperative's energy bill.

## **Will my Sand Prairie bill be affected by these changes?**

Sand Prairie Wireless bills are not affected by these changes.

# FAQs Continued

## **Does the Sand Prairie fiber project affect my electric bill?**

Members are not paying for other members to get fiber. Sand Prairie is borrowing from the equity of Jo-Carroll, which over time will be paid back.

In the broad prospective, rural broadband (specifically fiber) is recognized as playing a major role in the quality of life and economic health of our communities. Broadband can make a difference in the prosperity of our rural communities, giving our current and future members the same opportunities and access as our urban counterparts. More members and businesses, more accounts to spread fixed costs across, which help stabilize future rates.

## **I am having trouble reading my billing statement. Can I speak to someone about my current bill?**

We have a page on our website about how to read your bill. Please visit [www.jocarroll.com](http://www.jocarroll.com) or call us at 800-858-5522 if you have questions.

## **BILL AND RATES DEFINITIONS**

**Kilowatt Hour (kWh):** The amount of electricity required to power ten, 100W light bulbs for one hour.

**Therm:** The amount of energy need to power a 100,000 BTU furnace for one hour. The therm is calculated by multiplying the volume of natural gas (ccf) you use by a therm factor.

**Energy Charge:** The cost to produce your energy. A per kWh or therm charge for the energy used during the service period and is a pass through charge from Jo-Carroll Energy's energy suppliers.

**Generation Charge:** Based on your kWh use, this cost covers the physical infrastructure needed to produce energy from Jo-Carroll Energy's energy suppliers.

**Transmission Charge:** A per kWh charge which covers the cost to transmit energy from the generation facilities to Jo-Carroll Energy distribution substations. This is a direct pass through from transmission suppliers.

**Power Cost Adjustment (PCA):** A monthly adjustment on a per-kWh basis that fluctuates depending on the total cost each month from our generation suppliers. The PCA is determined by how much the monthly power cost per kWh is above or below the base power cost.

**Facility Charge:** The basic cost to provide energy. It covers expenses such as power lines, pipelines, trucks, labor and other expenses the Cooperative incurs ensuring energy is available when you need it, no matter how much energy is sold.

**Member Service Charge:** A flat service fee covering administrative costs including billing, postage, facilities, software systems and other overheads.

**Delivery Charge:** A per kWh or therm charge that covers the costs of delivering energy to your home and maintaining the equipment that carries the electricity and/or natural gas. This charge covers the rest of the fixed costs not recovered through the facility charge, and stays with your cooperative.

**Declining Block:** A structure where the member pays less for energy as use increases beyond a fixed kilowatt-hour amount during a specific billing period.

**Demand:** The amount of electricity drawn from an electric system at a given time, measured in kilowatts.

**Cost-of-Service Study:** An analysis that determines how much it costs a utility to service various classes of consumers, and results in the development of cost-based rates.