



UPCO news

Service availability charge and minimum bill change effective for September bills

As a not-for-profit electric cooperative, it is our mission to supply each of our members safe, reliable and affordable electricity while maintaining the cooperative's long-term financial strength. To accomplish this, a change in our rate structure is inevitable. Upson EMC has not had a rate increase since 2009, but we have had to increase the service availability charge along the way. While a rate increase can be postponed until next year, the service availability charge needs to be increased immediately.

The service availability charge covers the cooperative's fixed costs and is reflective of the investment in poles, wires, transformers and equipment it takes to provide you with electric service. It also supports fleet, facility and member service functions, such as line maintenance, substation upgrades, property taxes, right-of-way clearing and general administrative responsibilities.

Regardless of how often you flip on the light switch or the TV, these costs are part of the bill you pay, so electricity is available to you whenever you need it. If one member uses only 1 kilowatt-hour (kWh) of electricity and another member uses 1,000 kWh, Upson EMC still incurs the same cost to build the line, maintain the distribution system and deliver electricity to both members. It takes just as much equipment to deliver 1 kilowatt-hour as it does 1,000 kilowatt-hours of energy.

This is why the monthly service availability charge is important, in order to recover a portion of the cost of delivering electricity to all members and help maintain the financial health of your cooperative.

How will this affect you? For members on a residential rate, the service availability charge will increase \$1. Members on the non-residential rate will see up to a \$2 increase.

Accounts with very low to no use will see slightly higher increases. These accounts are typically a meter on a structure such as a barn, hunting camp, pump or shop. We have hundreds of idle meters we maintain that use zero kWh per month. It is the monthly cost of maintaining electric service to these meters that is driving the need to realign the minimum bill. The minimum residential bill will increase up to \$2 and the non-residential bill will increase up to \$4.50.

Both the service availability charge and minimum bill increases will be effective on September 2017 bills.

The Board of Directors and employees of Upson EMC work diligently to help keep your costs low. As your local, not-for-profit electric cooperative, our primary goal is to minimize the effects of any increase while maximizing service in a cost-effective reliable manner that you can count on.

As always, if you have any concerns, questions or would like a copy of our rates, please call or come by the office.

