

UNDERSTANDING THE NEW RATE ADJUSTMENT—PAGE 5



South Carolina Living

AIKEN ELECTRIC
COOPERATIVE

CEO MESSAGE

**Factors that
impact your bill**

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Rural SC's Washington workhorse

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The mission of Aiken Electric Cooperative, Inc. is to empower communities by providing reliable, competitively priced energy and other services desired by our membership.

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AEC is an equal opportunity provider and employer.



Factors that impact your energy bill

FEBRUARY BRINGS some of the coldest weather of the year, and as our heating systems work harder to

keep our homes warm, we typically see higher energy bills.

When you receive your monthly bill from Aiken Electric, you're provided with a summary of how much electricity you used during the billing cycle. But beyond your monthly energy use, external factors also can impact the cost of electricity.

Fuel prices

Aiken Electric purchases electricity from Central Electric Power Cooperative at a wholesale cost. The cost of generating and transmitting electricity from our generation partner accounts for a significant portion of the cost to provide electric service to local homes and businesses. The price of fuels used to generate electricity, such as natural gas and coal, fluctuates based on supply and demand.

Extreme weather

While we can't control the weather, we can prepare for times of extreme cold or heat, when we know the demand for electricity will increase. But when temperatures become extremely cold and the demand for electricity spikes, the price of electricity can also increase.

Rising costs

To cover the costs associated with providing electricity to your home or business, Aiken Electric members pay a monthly service charge. This flat fee ensures the cost of equipment, materials, labor and daily operations are covered for all members.

As discussed previously, we've seen a drastic increase in the price, demand and wait-time for the materials needed to bring

electricity to your homes. This includes the cost for the poles, wires, transformers, trucks and meters we use. In addition, we must maintain power lines, substations and other essential equipment.

You have control

We all have the power to manage our energy use at home. Here are four ways to lower your energy use:

- 1. Manage your thermostat.** Heating and cooling account for a significant portion of home energy use. During winter months, adjust your thermostat to the lowest comfortable setting. We recommend 68 degrees in the winter and 78 degrees in the summer months.
- 2. Avoid peak hours.** Be mindful of your energy use during high-demand peak hours—typically during the early evening in the summer and mornings in the winter.
- 3. Seal your home.** Ensure your home has sufficient insulation levels, and seal air leaks around windows and doors with caulk and weatherstripping.
- 4. Maintain equipment.** Maintain your HVAC system by regularly replacing dirty filters and scheduling annual inspections for maintenance and necessary repairs.

Aiken Electric is your local energy partner. Visit **aikenco-op.org** to learn about our efficiency programs designed to help you save. As always, we will continue working diligently to provide you with reliable power at an affordable cost.

GARY L. STOOKSBURY
Chief Executive Officer

Facts about the rate adjustment

AIKEN ELECTRIC COOPERATIVE, like other not-for-profit utilities, is navigating rising costs and industry-specific challenges, including inflation and increasing wholesale energy prices. Unfortunately, these factors forced Aiken Electric to make a rate adjustment. To help you better understand the rate adjustment, here are answers to common questions from members.

Q: Is the rate adjustment tied to Hurricane Helene or CarolinaConnect?

A: No. Storm recovery costs are not passed on directly to members through rate increases. Instead, Aiken Electric Cooperative prepares for storm recovery through careful budgeting, insurance and external support from emergency funds and assistance programs. Similarly, CarolinaConnect is a separate broadband initiative with its own financial structure, which does not affect electric rates.

Q: How much did the service availability charge increase?

A: The service availability charge increased by only \$0.35, rising from \$1.00 to \$1.35. This charge covers fixed costs such as poles, wires, meters and maintenance. This charge recovers the cost of everything needed to deliver power to homes and businesses.

Q: Have I always paid the service availability charge?

A: Yes. The service availability charge has always been part of your bill. This charge is included in the energy charge listed on your bill.

Q: Why wasn't the rate adjustment phased in?

A: We've worked hard to avoid this adjustment, including scrutinizing

budgets annually. Unfortunately, Aiken Electric and other utilities across the country are experiencing rising costs that are beyond our ability to absorb. These include increased wholesale power costs and higher prices for the critical materials we use to build and maintain our electric system. That made this rate adjustment unavoidable. We didn't make this decision lightly, and we are committed to helping members understand and manage the impact of this adjustment.

Q: Does Aiken Electric profit from rate adjustments?

A: No. As a not-for-profit, we don't generate profit. Any revenue over expenses is returned to members as capital credits, based on how much energy you've used.

Q: Will my bill always be higher than before the rate adjustment?

A: Not necessarily. Your bill depends on how much energy you use. To lower your energy use, consider sealing air leaks, upgrading insulation, or using energy-efficient appliances. Additionally, be mindful of your energy use during high-demand peak hours (evenings in the summer and mornings during the winter), as higher demand for electricity causes utilities to use more expensive fuels.

Q: What is Aiken Electric doing to lower costs?

A: We work with other co-ops and partners to manage costs, including bulk buying, negotiating lower wholesale power prices and recruiting businesses to offset expenses. We also advocate for policies that prevent unnecessary cost increases. We operate on a conservative budget and constantly evaluate ways to reduce operational costs.

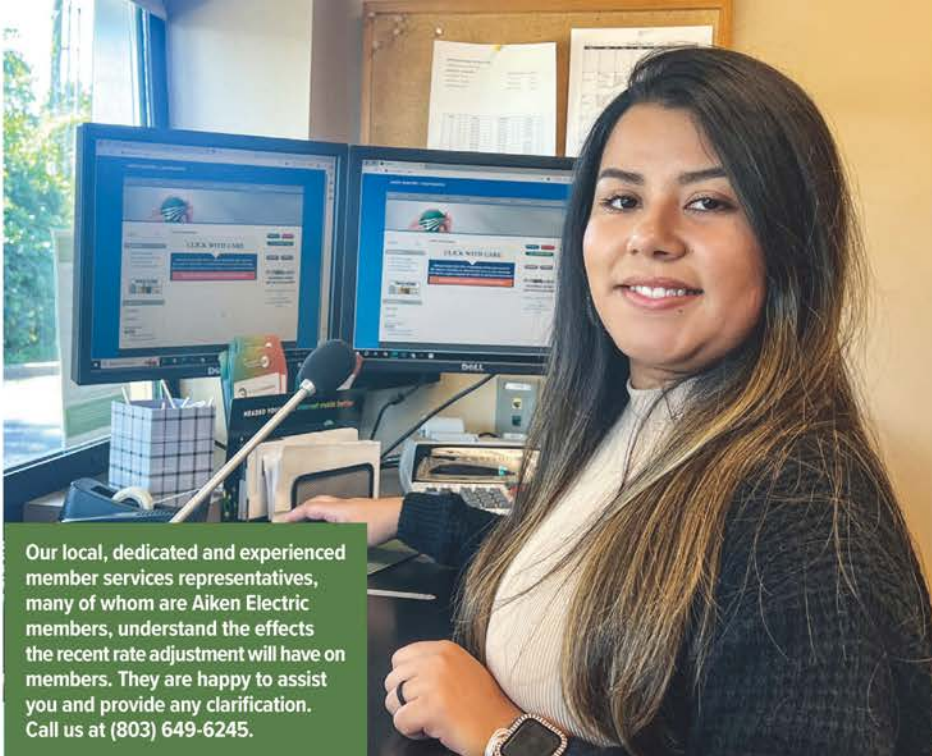
Q: Could the cooperative have absorbed these costs without a rate adjustment?

A: Rising costs for supplies, materials, interest rates and wholesale power left us no choice. We've absorbed these increases for years, but a rate adjustment was necessary to maintain reliable service.

Aiken Electric Cooperative remains committed to transparency and supporting our members. For any questions or concerns, we encourage you to call (803) 649-6245.

DID YOU KNOW?

Materials such as transformers, cross-arms and pad mount transformers have had cost increases ranging from 87% to more than 103%.



Our local, dedicated and experienced member services representatives, many of whom are Aiken Electric members, understand the effects the recent rate adjustment will have on members. They are happy to assist you and provide any clarification. Call us at (803) 649-6245.

JAMACIA MCCRAY