



## 2024-2025 Cullman EC Rate Increase FAQs

### When will this change go into effect?

The first phase will begin Oct. 1, 2024. The second part will go into effect in April 2025.

### How will the change impact my bill?

Cullman Electric Cooperative's rate increase will result in the average residential consumer's monthly bill increasing \$5-\$6 per month, starting in October, and another \$5-\$6 in April 2025. A TVA rate increase on wholesale power, starting in October, will increase the average residential consumer's monthly bill by \$3-\$4 per month.

Remember — the monthly bill from Cullman Electric Cooperative is more than just a "power bill." It can include the member's monthly water bill, sanitation service fees, volunteer fire department dues and fees for other services. That money is not Cullman Electric Cooperative revenue. The co-op collects those funds and distributes them to the proper agency.

### Why is Cullman Electric doing a two-part rate increase in October and April?

The staged approach to this rate increase will allow Cullman Electric to defer a large portion of the increase until after the winter months when cold weather leads to more energy usage and higher bills.

### Why is this rate change necessary?

The cost to provide our members with safe, reliable energy continues to increase. Cullman Electric Cooperative has only had one local rate increase in the past six years. During that same time, system growth and inflation have substantially increased the co-op's operations and maintenance expense (see below). Additional revenue is necessary to cover these increased costs.

### Why are the cooperative's costs going up?

System growth and inflation. Our system is growing rapidly, which has increased our operation and maintenance expense. At the same time, costs for materials and equipment needed to operate and maintain the system have gone up, which has further increased our operations and maintenance expense. The average cost of major materials the co-op uses every day — poles, wire, transformers and other essential equipment — has increased 143 percent since 2018.

### How is the TVA rate increase different from the Cullman EC rate increase?

The TVA rate increase on wholesale power is a pass-through charge. All revenue generated from the TVA rate increase is given to TVA and does not impact Cullman Electric Cooperative's bottom line. The TVA increase is due to inflation as well as the need for TVA to construct new generation (power plants). For every \$1 dollar Cullman Electric Cooperative members pay on their power bill, 68 cents goes to TVA.

### Where can I learn more about how to keep my bill low?

Cullman EC website - <https://www.cullmanec.com/energy-and-money-savings-programs>

Touchstone Energy - <https://www.touchstoneenergy.com/efficiency>

Home Energy Savings Adventure - <http://adventure.touchstoneenergy.com/>

Dept. of Energy Savings Tips - <https://www.energy.gov/save/tools-and-tips>

Community Action weatherization program - <https://capna.org/weatherization/>

TVA EnergyRight Program - <https://energyright.com/residential/>

Cullman EC USAGE tracker page - <https://www.cullmanec.com/usage-tracker>

Cullman EC smartPAY page - <https://www.cullmanec.com/smartpay-prepaid-electrical-service>

Cullman EC Levelized billing page - <https://www.cullmanec.com/levelized-billing>

Cullman EC HUG & Billing Assistance Programs - <https://www.cullmanec.com/hug-utility-bill-assistance-organizations>

### Are rates going up because of Sprout Fiber Internet?

No. Sprout Fiber Internet has been highly successful both financially and in achieving its ultimate goal of meeting the need for a reliable, affordable broadband internet service provider in our service area.