



Mid-Carolina
ELECTRIC COOPERATIVE

mcecoop.com

LEXINGTON OFFICE

P.O. Box 669
254 Longs Pond Road
Lexington, SC 29071

DUTCH FORK OFFICE

7524 Broad River Road
Irmo, SC 29063

CUSTOMER SERVICE

(803) 749-6400
(888) 813-8000 Toll Free

GENERAL INFORMATION

(803) 749-6555
(888) 813-9000 Toll Free

REPORT OUTAGES

(803) 749-6444
(888) 813-7000 Toll Free

BOARD OF TRUSTEES

Marvin W. Sox, *Chairman*
Alan R. Lunsford, *Vice Chairman*
Donette B. Kirkland, *Secretary*
J. Allan Risinger, *Treasurer*
J. Carey Bedenbaugh, Jr.
Eddie C. Best, Jr.
Kenneth E. Lindler
Mark A. Svrcek
Justin B. Watts

CHIEF EXECUTIVE OFFICER

Bob Paulling

The mission of Mid-Carolina Electric Cooperative, Inc., a not-for-profit member-owned electric distribution utility, is to deliver reliable, cost-efficient utilities and innovative solutions to our members.

Mid-Carolina Electric is an equal opportunity provider and employer.

CO-OP NEWS EDITOR

Katrina Goggins
katrina@mcecoop.com



Your Touchstone Energy® Cooperative



A spool of the underground cable that runs through your neighborhood now costs \$4,244, up 70% since 2019.

Prices on the rise

WE'VE ALL FELT IT—the pressure of rising prices affecting every part of our lives, from grocery runs to filling up at the gas station. At Mid-Carolina, we've felt it too.

Inflation has hit us hard, especially regarding the cost of supplies and essentials we need to keep your lights on. According to our materials supplier, CEEUS, the cost of power line materials alone has risen nearly 70% since 2019. Supply chain disruptions have only added to the strain.

Despite these challenges, we've worked to keep your electricity bills as stable as possible. Unlike investor-owned utilities, Mid-Carolina's monthly bills have only seen slight changes based on the monthly adjustment factor (MAF), and we haven't raised base rates since 2019.

As a not-for-profit, Mid-Carolina Electric operates on just enough, and any excess is returned to our members through capital credits. But the reality is that it will take more to keep us afloat. Rate changes are not just inevitable for electric providers—they are necessary.

The why

Three main cost pressures are bearing down on us: changes with our main power supplier, new policies and regulations and inflation.

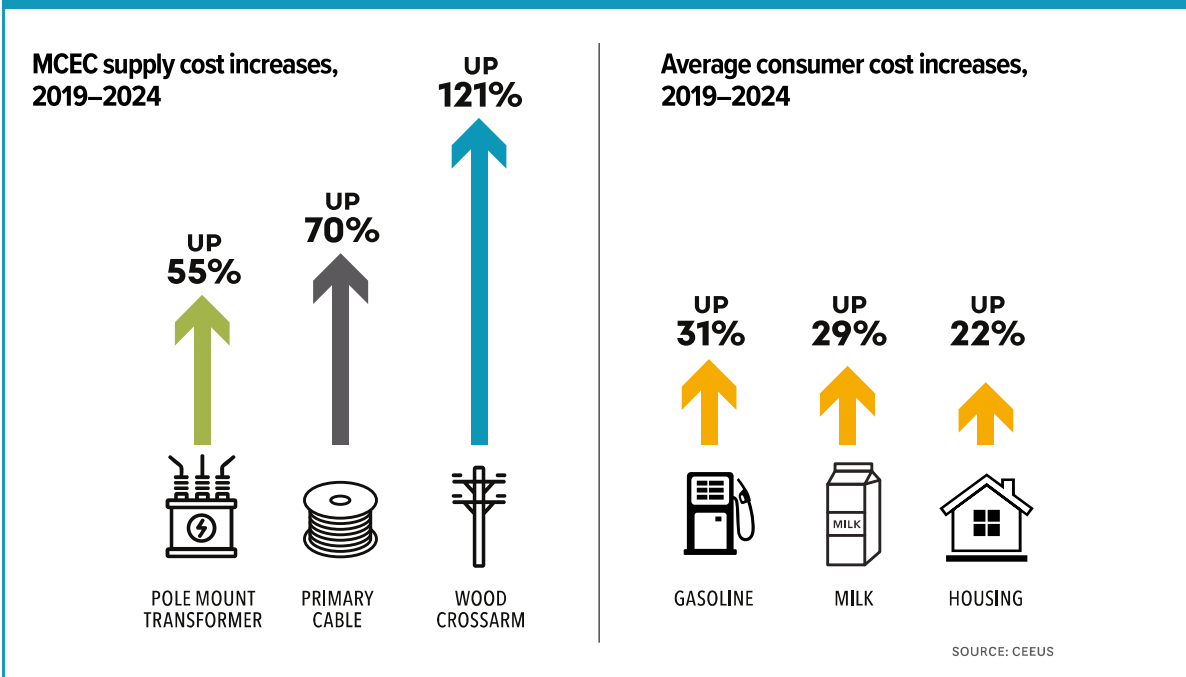
Santee Cooper's rate freeze is ending. As a distribution utility, Mid-Carolina Electric does not generate power. We purchase power. Our main power supplier, Santee Cooper, had its rates frozen for the past four years due to a class-action lawsuit. This freeze expires in December, and Santee Cooper will raise its rates to recover hundreds of millions of dollars in unbudgeted costs incurred during the freeze.

Unfortunately, Mid-Carolina Electric and other co-ops will be on the hook for these increases. While the exact increase won't be known until fall, we vow to keep you informed and to work with our co-op partners to try to negotiate with Santee Cooper to ensure we pay only our share.

Federal policies are hurting us, too. In April, the Environmental Protection Agency (EPA) released four major new regulations for the electric industry, including a rule to cut emissions from power plants. This rule requires power producers to either adopt unproven, expensive carbon-reduction technologies or greatly throttle down their output. These regulations come at the worst possible time for our nation's energy future, further threatening reliability and contributing to increased energy costs.

Rest assured that Mid-Carolina is dedicated to being your voice on policy issues. I have testified both on Capitol Hill and at the Statehouse, specifically addressing these issues. We are watching, participating and committed to bringing clarity to

Rising Costs Affect Both the Co-op and Our Members



these complex issues while keeping our members at the heart of everything we do.

The impact of inflation is undeniable. Every component it takes to build and maintain our distribution system has seen staggering price increases.

Let me share some examples of increases for several key components. A spool of the underground cable that runs through your neighborhood now costs \$4,244, up 70% since 2019. Transformers, essential for safely powering your household, have nearly doubled in price. Underground transformers now cost \$2,407, up from \$1,283, and overhead transformers have risen to \$1,360 from \$874. A single crossarm has increased to \$93 from \$42.

These essential pieces of equipment are crucial for the nearly 4,600 miles of lines Mid-Carolina Electric operates and maintains to provide you with safe and reliable electricity.

What we're doing

Long before this period of high inflation, we took major steps as a co-op. In 2016, we introduced a groundbreaking rate structure that gives our members the power to lower their monthly bills. Now embraced by a growing number of electric cooperatives and other utilities, our rate structure has three components: the account charge, energy charge and on-peak charge. While the account charge is fixed, you can lower your bill by deciding how much power you use and when.

Want to save on your bill? Simply adjust your heavy electricity use to outside of on-peak hours and tap into some of the lowest energy rates in the country.



WINTER PEAK HOURS:

Nov. 1 to March 31 from 6 a.m. to 9 a.m.

SUMMER PEAK HOURS:

April 1 to Oct. 31 from 4 p.m. to 7 p.m.

What you can expect

Change is never easy, but sometimes life and circumstances demand it. This is one of those times.

In the coming months, we will communicate openly with you about the impacts of rising costs. We will continue to highlight ways our members can save money on their bills. When it's time for rate adjustments, you can rely on us to be transparent and make only the essential changes needed to address the cost pressures we're facing.

For nearly 85 years, we have been dedicated to serving our community and our members. Our commitment has always been to provide safe, reliable, and cost-effective electricity to power your homes. Times change—and so do prices—but our mission remains the same.

Mid-Carolina exists solely to serve you, and we are in your corner!

BOB PAULLING
CEO