



Mid-Carolina
ELECTRIC COOPERATIVE

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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
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Your Touchstone Energy® Cooperative



No immunity from rising costs

IT SEEMS THERE IS NO WAY to avoid the common cold. A healthy lifestyle helps. But short of isolating yourself at

home, coming down with a runny nose, stuffy head and a cough at some point feels inevitable.

As we brace for another cold and flu season, there is also an epidemic of inflation and surging costs going around. I wish I could tell you that the price of electricity has somehow remained immune. Unfortunately, that's not the case, mostly due to factors beyond our control.

As Mid-Carolina Electric's CEO Bob Paulling mentioned in his column last month, the price of critical materials and equipment for providing electricity has skyrocketed over the past few years.

Additionally, the federal government is requiring energy producers to adopt expensive and unproven technologies in the push to reduce carbon emissions.

We also expect our cost of purchasing wholesale power will rise significantly after Santee Cooper's four-year rate freeze ends in December. Santee Cooper has already announced planned rate increases for its direct-serve customers. We expect the utility will also raise rates for wholesale customers like us.

On top of that, Santee Cooper plans to begin charging its customers—including us—for some \$750 million in unbudgeted costs it claims it incurred during the rate freeze. South Carolina's co-ops are scrutinizing those extra costs and we hope to reach a fair solution.

Still, as a result of these developments, energy consumers throughout South Carolina are bracing for higher power bills, and Mid-Carolina Electric is preparing for a rate adjustment that would take effect in January 2025.

We're not alone in this. Every time I turn on the news, it seems there's a story about a utility raising electric rates. It's a testament to the excellent staff and

leadership at Mid-Carolina Electric that we've managed to stave off a rate increase for this long.

We've postponed a rate increase as long as possible and commit to making only the changes needed to counter rising cost pressures. However, Mid-Carolina and other electric co-ops across the state will have to make this inevitable, necessary change too.

As a not-for-profit cooperative, our business model centers on keeping the cost of electricity down as a top priority. We do not aim to make a profit. Any revenues we generate are reinvested into the cooperative to improve services and infrastructure, ensuring safe, reliable, and affordable energy for our members, or returned to members in the form of capital credits.

We also implemented a unique rate structure to give our members the power to save money on their power bills. Want to save on your power 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.

Our commitment to you—our members—continues. For nearly 85 years, Mid-Carolina Electric has delivered what matters most. And as a member-owned cooperative, we exist solely to serve you in the most cost-effective way possible. That legacy continues.

I share with the rest of the board in feeling strongly that as members of Mid-Carolina Electric, you deserve to know the challenges your co-op is facing. When we must make tough decisions, it's important you understand why.

Together, we will keep our electric cooperative healthy so that we can keep delivering the dependable, affordable power you deserve.

MARVIN SOX
Trustee

The increasing sum of our parts

Electric cooperatives like Mid-Carolina Electric face rising material costs

OVER THE PAST FEW YEARS, South Carolina's electric cooperatives, including Mid-Carolina Electric, have seen a drastic increase in the price, demand and wait-time for the materials needed to bring electricity to members' homes.

This graphic illustrates the increase in costs and wait times for five critical pieces of equipment that are needed along the nearly 4,600 miles of line Mid-Carolina maintains to provide you safe and reliable electricity.

Looking at a few important parts of the power delivery system will give you an idea of the challenges electric cooperatives are facing.

Information provided by CEEUS, the materials supplier for South Carolina's electric cooperatives. These percentages are a general representation modeled after a typically designed South Carolina electric cooperative distribution system. Wait times are an average for the product listed.

SURGE ARRESTORS
COST INCREASE
+88.85%
WAIT TIME
12-20 weeks

PRIMARY WIRE
COST INCREASE
+61.78%
WAIT TIME
16-20 weeks

CROSSARMS
COST INCREASE
+103.37%
WAIT TIME
4-6 weeks

TRANSFORMERS
COST INCREASE
+98.5%
WAIT TIME
30-36 weeks

RISING MATERIAL COSTS

January 2020
to May 2024

GUY WIRE
COST INCREASE
+89.07%
WAIT TIME
3-4 weeks

PAD MOUNT TRANSFORMER
COST INCREASE
+87%
WAIT TIME
52+ weeks

CEEUS

Everything you need to power our world