

# Calhoun County ECA – 2023 Rate Adjustment

## ***Frequently Asked Questions***

### **Q. Why is CCECA raising rates?**

**A.** Inflation on raw materials, goods, and services is a nationwide issue, and the electric industry is not immune to its impact. The last time CCECA raised rates was 5 years ago on January 1<sup>st</sup>, 2018. Since then, there have been significant increases to the cost of material, equipment, and fuel, especially during the last two years. Part of our commitment to our members is to ensure fiscal responsibility so that we can meet all our financial obligations and continue to provide reliable service. The way we ensure financial stability is by performing cost-of-service studies, annual budgets, as well as 10-year financial forecasts. Taking into consideration all factors, our models found that an increase was necessary.

Commonly used materials and our local cost comparison since the last rate adjustment:

• 25 kVA Transformers	Then: \$830	Now: \$1,960	=	136% increase
• Conductor (Wire)	Then: \$0.41/ft	Now: \$0.68/ft	=	66% increase
• 40 ft. Poles	Then: \$312	Now: \$511	=	64% increase
• Fuel – like many, the co-op has incurred dramatically higher fuel costs:				43% increase

### **Q. When will the rate increase take effect?**

**A.** The increase will apply to usage beginning on January 1, 2023. This will be reflected on the bill you will receive in February 2023.

### **Q. What is CCECA doing to keep costs down?**

**A.** Many of the materials we purchase are within the cooperative network which ensures cost-based pricing and access to material that supports reliability. We work within the cooperative network along with our power suppliers, Corn Belt Power Cooperative and Basin Electric Power Cooperative, on improving efficiency and sharing resources to mitigate rising costs. For our members this means we are ensuring future power supply, investing in new technology to improve efficiency and reliability, assisting consumers as they invest in energy-efficient technology, and using alternative energy options whenever they are more cost-effective. Locally, we continue to strategize system improvements in a way that is both fiscally responsible and meets reliability expectations.

### **Q. Why are you only changing the facility charge?**

**A.** The facility charge supports CCECA in covering our fixed costs. It helps insure we can fix and maintain the poles, wires, meters, insulators, etc. that deliver you reliable service. As mentioned above, one of the main drivers in our forecasting models is the rising cost of materials and fuel. Both materials and fuel are expenses we incur every month (i.e., fixed cost), regardless of how much electricity is used by our membership. The co-op has seen and endured these inflationary prices for as long as possible, however, we are unable to sustain the rates as they are with the current market conditions.

**Q. How does CCECA determine the amount of revenue, or income, the cooperative needs?**

**A.** We have policies in place that help guide management on the boards’ expectations for the financial performance of the cooperative. These policies are reviewed every couple of years and compared to other cooperatives across the nation. In addition, CCECA’s lenders require us to meet certain financial ratios every year. If we were to drop below those stated ratios, we could incur penalties and would jeopardize access to lower interest rates.

**Q. Is there anything I can do to help lower my bill?**

**A.** There are a number of things members can do to help reduce their own usage: 1) consider adopting more energy-efficient practices, and remember that we offer *free energy assessments* in which our Member Service Representative will come to your home, assess your usage, and offer suggestions for savings; 2) use our free mobile app or web-based bill payment system and energy tracker to *view your usage online*; 3) take advantage of energy efficiency rebates; and 4) if you have an electric water heater, contact us to participate in our load management program, which helps lower overall costs to the cooperative.

**Q. I’m on a fixed income and/or qualify for Low-Income Home Energy Assistance (LIHEAP). Where can I seek payment assistance?**

**A.** There are many local agencies that provide assistance throughout the year for those in need. Contact the agency in your county for more information:

**Calhoun County**

New Opportunities  
334 Richmond Street  
Rockwell City, IA 50579  
712-297-7721

**Greene County**

New Opportunities  
1401 N. Elm Street  
Jefferson, IA 50129  
515-386-2719

**Sac County**

New Opportunities  
1710 West Main  
Sac City, IA 50583  
712-662-3236

**Pocahontas County**

Pocahontas Outreach  
406 NW 7<sup>th</sup> Street  
Pocahontas, IA 50574  
712-335-3335

**Webster County**

Webster Outreach  
1325 1<sup>st</sup> Avenue South  
Fort Dodge, IA 50501  
515-576-7774

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**WE WANT TO HEAR FROM YOU!**

CCECA welcomes feedback and will answer any questions you may have regarding the rate adjustment taking effect January 1, 2023. Your question(s) related to rates or other cooperative matters will be answered in the coming weeks. Please use the contact methods outlined below and we’ll do our best to address your general questions in our monthly newsletter, on our website and on the CCECA Facebook page. You can also call or visit our office with specific questions. To use QR Code – scan with mobile phone camera, then click link *or* visit: <https://bit.ly/3DBwf1c>

**Contact methods:**

Phone: 712-297-7112

E-mail: [info@calhounrec.coop](mailto:info@calhounrec.coop)

QR Code: Below

***You may also write your questions below and mail back or drop off at the CCECA office.***

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