

DEC Current



Proposed Rate Increase 2024 and Public Hearing Notice

We have been seeing our operations costs increase faster than inflation over the past couple of years so we have been doing as much as we can to control our costs while maintaining reliable and safe electricity service to you. We routinely obtain cost-of-service studies to analyze our costs and the most recent study was just completed at the end of last year. The data shows that we are not collecting enough revenue to offset the costs of operations for 2024.

We examined all of the costs of operations, including our fixed and variable costs. Fixed costs are the costs that we incur every year no matter what your energy usage is. They include fleet, fuel, insurances, workers compensation, real property taxes, labor, billing, accounting, depreciation, and right-of-way maintenance. One of our biggest cost drivers is our right of way maintenance program because we need to keep on a 10-year system rotation.

Although the monthly service charge is designed to pay all the necessary fixed costs to operate the cooperative, the study shows that fixed costs are exceeding our monthly service charges by as much as three times. As a result, after thorough review and discussion, the Board of Directors decided to increase our Monthly Service Charge by \$2 per month and our kilowatt hour charge by \$0.002 to maintain the current level of service and to reinvest in our system to get ready for the transition to electrification of vehicles and home heating.

Our new proposed rates are \$29.66 monthly service charge and \$0.091280 per kilowatt hour. The average general service residential member with 796 kWh monthly energy usage will see a monthly increase of about \$3.59 so the total bill would be about \$102.33 not including purchase power adjustment charges (PPAC).

Otsego Electric Cooperative
P.O. Box 128,
Hartwick, NY 13348

Office Hours
7:30 – 4:00
Monday – Friday

Phone:
607-293-6622

Pay-by-Phone
1-844-843-6842

After Hours and Outages:
1-866-591-3192

Call **UDIG New York** before
you dig at **811** or
1-800-962-7962

Board of Directors

Gary Potter
President

Charles Arnold
Vice President

Edward Clarke
Treasurer

Steve Child
Secretary

Fred Braun, Jr.
Director

Amy Parr
Director

Patrick Hooker
Director

Timothy R. Johnson
CEO

www.otsegoec.coop
www.oconnect.coop

Rates Continued..

The Board also proposed an increase in the monthly charge for Area Lighting by \$0.80 so it would now be \$10 per month.

RATE SCHEDULE	DESCRIPTION	Member					
		Member Charge (Old)	Member Charge (New)	Member Charge Rate Change	Charge/kWh (Old)	Charge/kWh (New)	Charge/kWh Rate Change
Schedule 1	General Service - Residential	\$ 27.66	\$ 29.66	\$ 2.00	\$ 0.089280	\$ 0.091280	\$ 0.002
Schedule 4	Area Lighting	\$ 9.20	\$ 10.00	\$ 0.80			
Time of Use	Time of Use Rate (All Schedules)	\$ 43.85	\$ 45.85	\$ 2.00		Varies	\$ 0.002

A table showing the new charges for all service classes is set forth in our website at www.otsegoec.coop.

If these increases are approved, they will be put into effect in your billing in April. If you need help estimating and budgeting for your future bill, please contact the office.

The future presents many challenges for the Cooperative that are being imposed upon us by sweeping regulatory actions enacted by New York State in the Climate Leadership and Community Protection Act (CLCPA). OEC has to invest in our grid to expand capacity for electric vehicle charging and for transitions to heat pumps for home heating. We have applied for grant funding to help pay for these upgrades. We will continue to aggressively pursue these opportunities. However, these projects will require large capital investments and future rate increases will need to be considered as these trends develop.

We assure you that we closely monitor all expenditures here at your Cooperative. If you have questions or comments, please contact us at the office at 607.293.6622 or email us at info@otsegoec.coop. We will hold a Public Hearing on the proposed increases on March 25, 2024 at 5 p.m. Arrangements have been made for you to remotely attend the Public Hearing by Zoom at this address: [Zoom Link](#) If you will be attending via Zoom, you can find the Meeting ID & Passcode on our website at <https://otsegoec.coop/2024-rate-increase>. If you do not have access to a computer, there will also be a phone number available to call in to listen to the hearing. Please call us at 607.293.6622 if you would like this number.

HEAP Assistance

We understand that situations arise when it can be difficult to pay your bills, especially as costs rise with lower winter temperatures. If you need assistance paying your bills, there are programs, such as HEAP, that are available to assist you. In order to find out if you qualify, you can visit www.mybenefits.ny.gov or call one of the following numbers for assistance:

- Otsego County Department of Social Services 607-547-1700
- Chenango County Department of Social Services 607-337-1500
- Madison County Department of Social Services 315-366-2211
- Herkimer County Department of Social Services 315-867-1220
- Opportunities for Otsego 607-433-8000
- Catholic Charities 607-432-0061



REMINDER TO APPLY FOR THE:

MARLETTE SCHOLARSHIP

APPLICATIONS MUST BE RECEIVED BY
MAY 1ST, 2024!

*GIVEN IN MEMORY OF HOWARD S. MARLETTE -
WHO SERVED 37 YEARS AT OTSEGO ELECTRIC*