



GM'S REPORT

# THE COST OF RELIABLE POWER

Rate adjustment to take effect Jan. 23



Dan McNaull  
GENERAL MANAGER

For more than 85 years, Firelands Electric Cooperative has been committed to providing our members with reliable power to run their homes, farms, and businesses. We tackle everything from tree and vegetation management to equipment maintenance and system upgrades to ensure that electricity is there whenever you push a button or flip a switch.

Each year, the co-op runs a 10-year financial forecast that takes into consideration factors such as current

operating costs, inflation trends, and necessary upgrades and replacements of key equipment on our distribution system. We also run a construction work plan study every four years that assesses the entire distribution system to identify and prioritize upgrades required to maximize reliability and minimize outages.

Our present construction plan includes the replacement of two substations, each of which has a transformer that is nearly 60 years old and will soon reach the point where system demand will exceed its capacity. In December 2021, these two substation upgrades had an estimated total cost of \$4.6 million. Today, due to unprecedented rates of inflation, their price tag has increased to \$9.95 million. Delaying or not taking action to upgrade these substations is not an

option — doing so would put our system's reliability at great risk and ultimately end up being even more costly.

In addition to the substation projects, your co-op continues to invest in our tie-line upgrades. These major power lines connect Firelands' substations and are critical for maintaining power via backfeeding from one substation to another when there is an outage.

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## EXAMPLES OF MONTHLY BILL WITH AND WITHOUT RATE ADJUSTMENT:

kWh use	Old bill	New bill*	Difference
250	\$71.19	\$74.43	\$3.24
500	\$104.38	\$108.85	\$4.47
1,000	\$168.48	\$175.34	\$6.86
1,188**	\$189.46	\$197.61	\$8.15
1,500	\$224.28	\$234.59	\$10.31
2,500	\$335.88	\$353.07	\$17.19

Rate adjustment will go into effect on Jan. 23, 2024. The first bill to reflect this change will be the statement due on March 14.

*\*Includes Distribution Charge increase of \$2.00/month for single-phase service and \$6.00/month for three-phase service.*

*\*\*A Firelands residential member's average monthly electric usage equals 1,188 kWh.*



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Our latest financial forecasts clearly show that a rate adjustment is needed to keep pace with Firelands' outgoing expenses and planned system upgrades. (See included chart for specifics regarding the adjustment.)

It's also important for us to look to the future and prepare for cultural and economic shifts in the use of electricity, which will result in more electric vehicles and greater electrification of our homes, businesses, and farms. The number of state-of-the-art appliances, large-screen televisions, computers, gaming systems, and smart home features (such as video doorbells and security systems) continues to climb, creating an ever-increasing demand for electricity. Staying abreast of this growth is vital to maintain an adequate power supply for Firelands' members.

For years, Firelands has enjoyed some of the lowest rates among Ohio's 25 electric cooperatives, so the decision to increase them was not made lightly. However, this adjustment is necessary for the co-op to continue providing the ample and reliable power you have come to expect. Following the adjustment, which will go into

effect Jan. 23, 2024, our rates will still be very close to Ohio's 2023 averages. With many other electric suppliers also facing similar rate changes, your co-op may actually remain lower than the state average.

While the news of a rate adjustment is something that none of us likes to hear, the co-op's updated distribution and kilowatt-hour (kWh) charges will allow Firelands Electric to ensure that every member has plenty of safe, reliable power for years to come.

Electricity is a requirement for modern life. It keeps our homes comfortable, lights our homes, refrigerates and cooks our food, washes and dries our dishes and clothing, keeps our showers hot, and powers our entertainment and communications devices. When you consider all of this, the average cost of \$6.50 per day in electricity for a residential home remains a great value.

For the specifics regarding this rate adjustment, please see the chart accompanying this article, visit [www.firelandsec.com/rate-schedules](http://www.firelandsec.com/rate-schedules), or contact our billing department at 1-800-533-8658.

## REMINDER:

### ***PETITIONS TO BECOME A CANDIDATE FOR BOARD TRUSTEE ARE DUE JAN. 5***

This spring, Firelands Electric Cooperative members will elect board trustees to represent districts 2, 7, and 9. Members living in any one of these districts are eligible to become candidates. Nomination petitions are available at the Firelands

Electric office and must be submitted by 4:00 p.m. on Friday, Jan. 5. Visit [www.firelandsec.com/cooperative-elections](http://www.firelandsec.com/cooperative-elections) or call 1-800-533-8658 for more information.

- **District 2:** New Haven, Ripley, Greenwich, Ruggles, Cass, and Blooming Grove townships
- **District 7:** Vermilion, Mohican, Montgomery, and Perry townships
- **District 9:** South of CSX rail in New London municipality and New London Township

