

# The Cost of Delivering Electricity to Members



## MESSAGE FROM GENERAL MANAGER KATHI CALVERT

**ONE OF THE MOST REWARDING PARTS** of managing an electric cooperative is the ability—in fact, the responsibility—to focus on providing the absolute best possible service at the lowest possible cost. As a member-owned co-op, we don't have to make profits for a few wealthy stake-

holders. After a careful analysis of the co-op's expenses and revenues, the board decided a rate change is in order.

Effective September 1, we will increase the monthly base charge by \$2 per month. For residential members, the increase is minimal, making your base charge \$12 per month. This increase in

the base charge is equivalent to the price of one 20-ounce soft drink per month.

It has been the practice of the cooperative to consider a rate increase only when all other avenues have been exhausted. After analyzing what it costs to serve every meter (infrastructure, maintenance, equipment and personnel), it was determined that the best way to recoup costs would be to raise the per meter base charge.

You may wonder why we have a base charge, or what expense the base charge covers. Your power bill has two components: a fixed component and a variable component. The fixed component is the base charge, which doesn't change from month to month. The variable component is the energy charge, which varies depending on how much electricity you

1. Costs of installing electrical service to your home have increased 20 percent since 2010. We only install equipment proven to be reliable and safe in residential installations.
2. Since 2010, right-of-way maintenance costs have increased 47 percent as we strive to cover more miles of our system every year and remove hazards that could impact your electric service. Unusually heavy spring rains in our service area during the past two years have accelerated vegetation growth, requiring increased effort to protect the system.
3. Service lift equipment costs have increased 27 percent since 2010, as we replace aging units with newer and more reliable ones. The safety and protection of our linemen is of paramount concern as we maintain the lines bringing power to your home.



consume. The energy charge will not increase and will remain the same at 9.23 cents per kilowatt-hour plus the power cost adjustment.

holders. You, as members, are the stakeholders. Our margins go out to you as capital credits and fold back into the operations of the co-op. That helps us keep your electricity costs as low as possible.

We haven't raised the monthly residential base charge of \$10 since 2010. In the seven years since, prices for everything we use to operate, maintain and repair our system have seen substantial increases. Trucks, meters, transformers, equipment and labor all have gone up in cost.

The board of directors of Houston County Electric Cooperative has a responsibility to maintain the financial stability of

the cooperative. After a careful analysis of the co-op's expenses and revenues, the board decided a rate change is in order.

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consume. The energy charge will not increase and will remain the same at 9.23 cents per kilowatt-hour plus the power cost adjustment.

we still face the expense of keeping the facilities in place and maintaining our distribution system. Therefore, the board also has approved a \$2 increase in the special minimum for zero kWh usage, to ensure our ability to keep the infrastructure in top operating condition.

You can be assured that your cooperative continues to look for operational cost savings and will offer you products, services, tools and information to make sure you receive the most for your energy dollar.

Houston County Electric Cooperative will continue striving to provide the best possible service at the lowest possible cost. Our management and board of directors continually monitor operating procedures and expenses to ensure that we run our cooperative in the most cost-effective way possible.

If you have any questions or concerns regarding this rate adjustment, we encourage you to call our offices at (936) 544-5641 or 1-800-657-2445. We will be happy to answer any questions you may have.

Thank you for your continued membership. We look forward to serving you.

# Notice of Rate Change

**HOUSTON COUNTY ELECTRIC COOPERATIVE** is providing notice that it intends to change rates for electric service. Pursuant to Texas Utilities Code section 41.061, the cooperative has adopted a resolution approving the changes to the rates, as presented below.

The monthly Customer Charge, which is invoiced as the Base Charge for the Residential (Rate Schedule R) and the Small Commercial (Rate Schedule C) rate classes, shall be changed as follows:

## CUSTOMER BASE CHARGE

SCHEDULE	CURRENT CHARGE	UPDATED CHARGE	CHANGE
R	\$10/meter	\$12/meter	\$2/meter
C Single-Phase	\$10/meter	\$12/meter	\$2/meter
C Multi-Phase	\$14/meter	\$16/meter	\$2/meter

The Minimum Bill charge for the Residential (Rate Schedule R) and the Small Commercial (Rate Schedule C) rate classes shall be changed as follows:

## MINIMUM BILL

SCHEDULE	CURRENT CHARGE	UPDATED CHARGE	CHANGE
R	\$12/meter	\$14/meter	\$2/meter
C Single-Phase	\$12/meter	\$14/meter	\$2/meter
C Multi-Phase	\$16/meter	\$18/meter	\$2/meter

The amount of the charges for these rate classes has been in effect and unchanged since 2010. The proposed increases are necessitated by increases in overall operating costs for the cooperative since that time.

The effective date of these updated charges will be September 1, 2017, or as soon thereafter as may be allowed by law.

If you have questions regarding these changes, please give us a call at (936) 544-5641, and we will be happy to discuss these changes with you. You also are invited to attend a public meeting at 5:30 p.m., Thursday, August 17, to be held at the cooperative's headquarters in Crockett to discuss these changes with co-op staff.



## Houston County Electric Cooperative

P.O. Box 52, Crockett, TX 75835

### GENERAL MANAGER

Kathi Calvert

### BOARD OF DIRECTORS

Dan Courmier, President  
 Kennon Kellum, Vice President  
 Mitchell Huff, Secretary-Treasurer  
 Mary L. Pearl Adams  
 William Emmons  
 Kay Reed  
 Charles "Chuck" Siems  
 Grady Wakefield  
 David Whittlesey

## Contact Us

**TO REPORT A POWER OUTAGE,  
 CALL OUR 24-HOUR HOTLINE**

**1-800-970-4232** toll-free

### BUSINESS HOURS

Monday–Friday, 8 a.m.–5 p.m.

### CUSTOMER SERVICE

*For general information  
 during business hours*

**(936) 544-5641** local

**1-800-657-2445** toll-free

To report an outage or other problem with electrical service, press 1.

To make a payment over the phone or speak with a member services representative in the billing department, press 2.

For electrical connects, transfers and disconnects, press 5.

For directions to our office, mailing address or fax number, press 6.

For satellite internet services, press 7.

For staking and construction, press 8.

### FIND US ON THE WEB

**houstoncountyelec.com**



**FIND US ON FACEBOOK**



**COME CELEBRATE WITH US!**

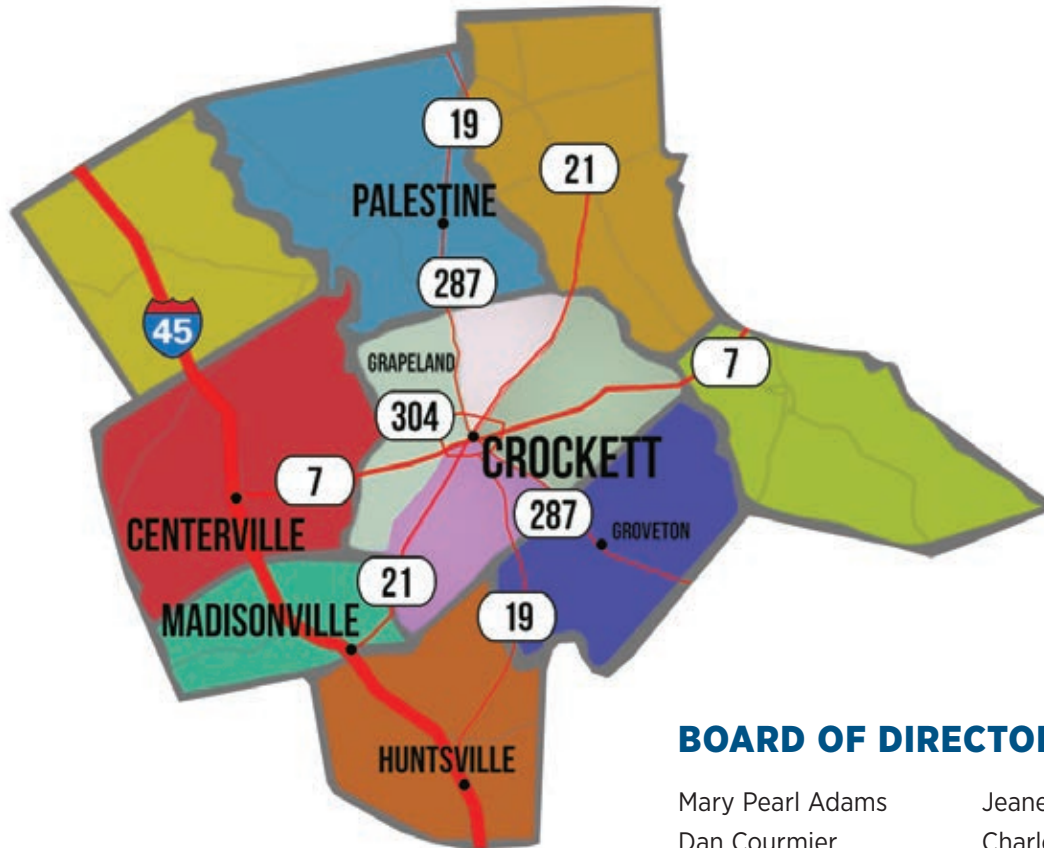
**Houston County Electric Cooperative**

# **78<sup>TH</sup> ANNUAL MEETING**

**Thursday, November 2, 2017**

Doors open at 4 p.m. • Business meeting at 6 p.m.

## HCEC SERVICE AREA



### BOARD OF DIRECTORS

- |                  |                       |
|------------------|-----------------------|
| Mary Pearl Adams | Jeanette “Kay” Reed   |
| Dan Courmier     | Charles “Chuck” Siems |
| William Emmons   | Grady Wakefield       |
| Mitchell Huff    | David Whittlesey      |
| Kennon Kellum    |                       |

## Meeting Notices and Proxies To Be Mailed

**IN OCTOBER, EVERY MEMBER** of Houston County Electric Cooperative will be mailed a meeting notice and a proxy card.

The notice of meeting will be your official notification that Houston County EC will hold its annual meeting of members November 2 in Crockett. The notice also will contain a schedule of events for that evening.

If you do not plan to attend the November 2 annual mem-

bership meeting, please sign and return the proxy card. Signing the proxy will allow your vote to be counted in the quorum for the purpose of conducting business on all matters coming before the meeting and adjournments.

On the reverse side of the notice will be directions for voting by proxy and sending in the proxy card, plus qualifications for participating in the prize drawings. The deadline to return the signed proxy card is 2 p.m., November 2.