

What Your Bill Pays For

Great Lakes Energy is a cooperative. That means your electric rates are based on the cooperative's actual costs to serve you. What are those costs? The simplest way to explain what you pay for is to split your bill into two parts—variable costs and fixed costs.

The electricity you use is a variable cost, paid for through the energy and PSCR charges on your bill. For the average year-round member, these purchased power costs account for well over half of their bill.

The fixed costs are not related to the amount of energy you use. They exist whether you use a great deal or little, if any, electricity.

HERE IS A PERCENTAGE BREAKDOWN OF WHAT MAKES UP THE FIXED COSTS IN THE MONTHLY CHARGE:

Operation and Maintenance (36%). This ensures our power line system is properly distributing electricity to members.

Typical operating expenses include inspecting and monitoring lines, poles, meters and other distribution equipment; dispatching and engineering services, radio communications, and property taxes on lines and equipment.

Maintenance refers to upkeep of our power line distribution system, and repairs due to storms and other damage.

Support Services (26.5%). This pays for support services necessary to operate an electric co-op, including office staff, member services, accounting, IT and communications.

Capital Costs (34.9%). We have annual expenses on capital equipment. Costs for new poles, wires, transformers, computers and office equipment are spread over their useful life.

Also included is interest owed on long-term debt. Our large capital expenditures, such as new power lines, are partially funded with low-interest loans from the federal Rural Utilities Service and other lenders.

Margins (2.6%). When financial conditions allow, any profits earned by your cooperative are shared with members as capital credit refunds. Since 2003, Great Lakes Energy has issued over \$56.1 million in capital credit refunds to members.

1323 Boyne Avenue, P.O. Box 70
Boyne City, MI 49712

WEB: gtlakes.com/monthlycharge

TEL: 888-GT-LAKES



Looking Out for You

Updated April 2017.

Great Lakes Energy is an equal opportunity provider and employer.



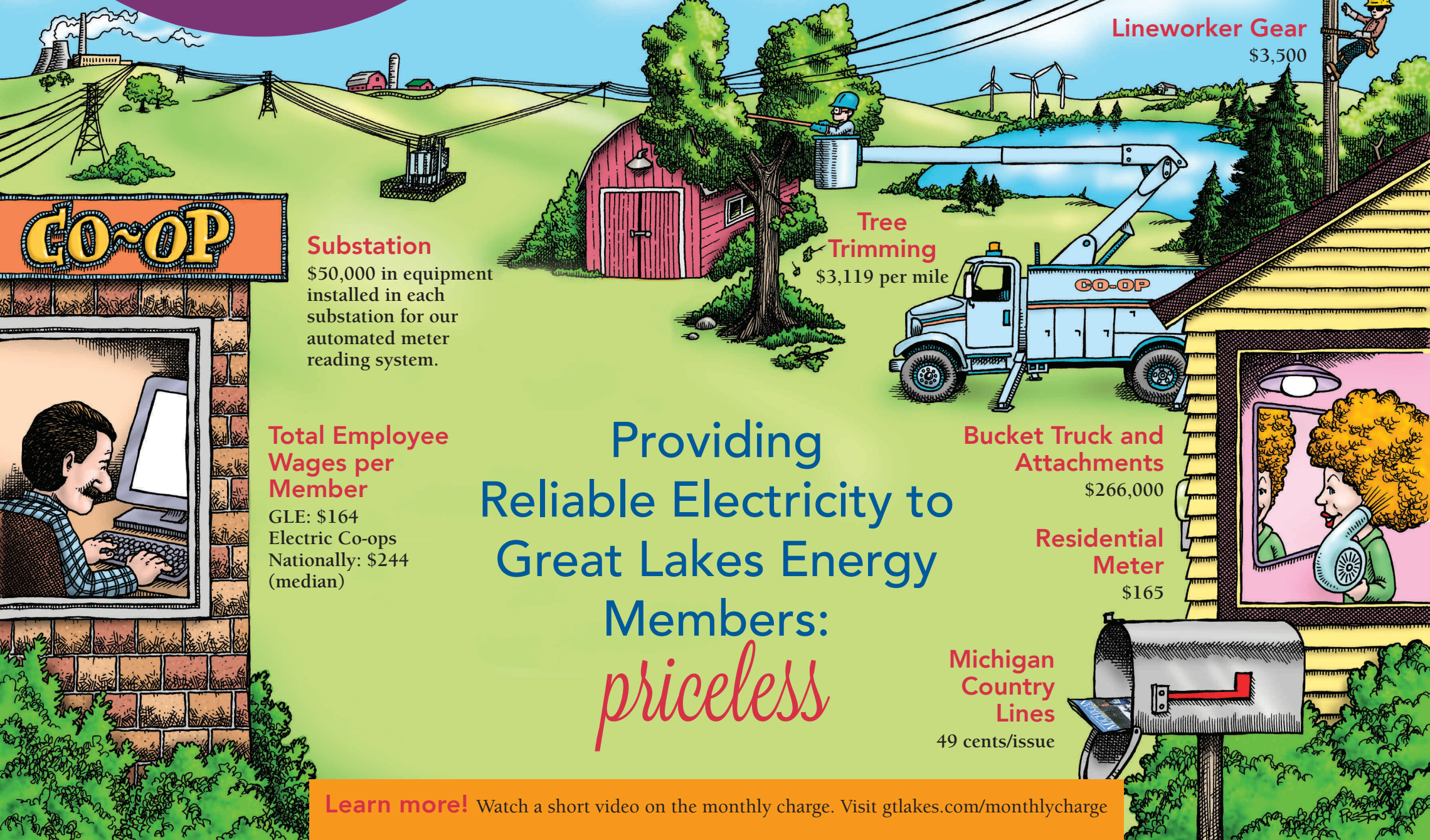
HOW ARE MY GLE

DOLLARS Spent?

Visit gtlakes.com or
call 888-GT-LAKES

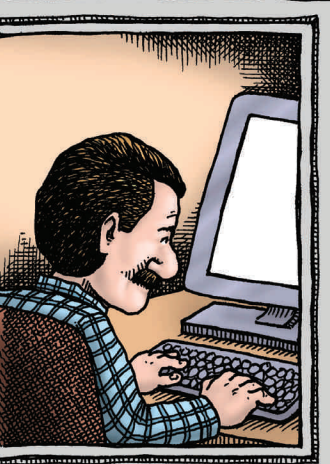
Each year money is budgeted to continue providing reliable electric service.

Here's a look at the cost components.



Illustration—DennisPreston.com

GO-OP



Substation
\$50,000 in equipment installed in each substation for our automated meter reading system.

Total Employee Wages per Member
GLE: \$164
Electric Co-ops Nationally: \$244 (median)

Overhead and Underground Distribution Lines
\$55,400 – \$245,000 per mile

Transformer
\$750 – \$1,500

Pole
\$80 – \$370

Lineworker Gear
\$3,500

Tree Trimming
\$3,119 per mile

Bucket Truck and Attachments
\$266,000

Residential Meter
\$165

Michigan Country Lines
49 cents/issue

Providing Reliable Electricity to Great Lakes Energy Members:
priceless

Learn more! Watch a short video on the monthly charge. Visit glakes.com/monthlycharge