

# Maintaining reliable service for our members



**Shaun Lamp**  
President & Chief Executive Officer

Having a warm, safe place to call home is important to all of us. Helping you, our members, meet this most basic of human needs is why we come to work each day.

At GLE, we know the critical role we play in keeping our members’ homes up and running. That’s why continuing to provide reliable service is at the heart of what we do. We also understand that, just like keeping your home well-maintained takes time and money, GLE must also make substantial investments to provide a reliable electric system for our members. To maintain the high level of reliability our members depend on, it’s important that we take steps to ensure GLE remains operationally and fiscally sound.

As part of these efforts, GLE regularly reviews the rates it charges for electric service. As a not-for-profit, member-owned cooperative, our goal is to provide electric service that is both affordable and reliable, with rates based on the actual costs to provide service. To do that, it is imperative that we evaluate the cooperative’s current and long-term needs. In an era of rapidly increasing costs, we must be prepared to replace aging equipment and infrastructure, for storm restoration costs, and to adapt to a rapidly changing and modernizing industry.



*As a not-for-profit, member-owned cooperative, our goal is to provide electric service that is both affordable and reliable, with rates based on the actual costs to provide service.*

During these regular rate reviews, we evaluate all components of the rates that appear on your electric bill. One component is tied to how much electricity you use each month, measured in kilowatt hours (kWh).

The other component is the fixed monthly charge that is the same each month regardless of how much electricity you use. In simple terms, the per-kWh rate accounts for the cost of your electric consumption, while the fixed monthly charge pays for the cost of making sure the electricity gets to you.

To help ensure we are adequately covering all of the above costs, GLE’s board of directors will be considering a change to both its fixed monthly and per-kWh rates at a special open meeting set for 1 p.m. on Tuesday, Nov. 21 at our main office in Boyne City. **For a residential member using 800 kWh per month, the rate changes would result in about a \$9.48 bill increase.** If approved, the new rates will go into effect starting

with bills issued in February of 2024.

While no one likes paying more on their electric bill any more than they like paying for a new roof on their home, both are important investments in sheltering us against the storms of today and for many years to come.

## COMPOSITION OF THE FIXED MONTHLY CHARGE



**42.2%**  
Operation and Maintenance



**20.1%**  
Support services



**32.4%**  
Capital costs



**5.3%**  
Margin



# Great Lakes Energy seeks rate increase



Rising power supply costs and inflation are affecting our costs to provide service. In order to balance affordability with sustainable and reliable service, Great Lakes Energy is proposing rate changes that would result in a net increase across all rate classes.

	CURRENT				PROPOSED				
kWh		300	800	2,000		300	800	2,000	Change
Monthly Charge	\$34.21	\$34.21	\$34.21	\$34.21	\$39.21	\$39.21	\$39.21	\$39.21	\$5.00
Monthly Charge	0.11500	34.50	34.50	230.00	0.13702	41.11	109.62	274.04	0.02202
PSCR on Energy Use	0.01875	5.63	15.00	37.50	0.00188	0.56	1.50	3.76	-0.01687
Energy Optimization	0.00198	0.59	1.58	3.96	0.00198	0.59	1.58	3.96	
MI Low Income		0.88	0.88	0.88		0.88	0.88	0.88	
Tax		3.00	5.71	12.23		3.26	6.08	12.84	
		\$78.81	\$149.39	\$318.78		\$85.61	\$158.87	\$334.69	
					Difference	\$6.81	\$9.48	\$15.91	

Under the proposed rates, the kWh rate for residential and seasonal members would increase by \$0.02202 per kWh, and the fixed monthly charge would increase by \$5.00. **The power supply cost recovery factor will decrease by \$0.01687 per kWh resulting in a net kWh rate increase of \$0.00514.**

For the average residential member using 800 kWh per month, these changes equate to a \$9.48 monthly increase.


The increase, although small, would raise revenues to provide sufficient funding levels for maintaining reliable electric service, providing adequate margins, and ensuring members receive the service they need to power their homes and businesses.



**The co-op's board of directors will consider adoption of the proposed rate changes at an open member meeting on Nov. 21.** If approved, the new rates would take effect on bills rendered in February 2024.



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