

Reliability Matters, For GLE and Its Members



Shaun Lamp

President & Chief Executive Officer

Knowing we have access to safe, reliable transportation when we need it provides us with peace of mind that allows us to focus on more important aspects of our lives. It ensures that we can confidently go about our daily routines, assured that our car will get us safely to our destinations.

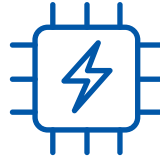
Just like keeping your car reliably road-ready requires routine maintenance and other expenses, safely providing our members with reliable electric service also requires significant ongoing maintenance and other investments. Some examples include our vegetation management program, infrastructure maintenance, and upgrades, such as replacing poles or moving overhead power lines underground, and modernizing our metering system.

Another key component in maintaining the high level of reliability our members depend on is ensuring that GLE remains operationally and fiscally sound. One way we do this is through regular reviews of both our fixed monthly and per-kilowatt-hour rates to ensure they will adequately cover our costs.

As I discussed in last month's letter, the monthly charge covers the fixed costs we incur to provide electric service to you while the per-kilowatt-hour rate covers the variable amount of electricity you choose to use each month.

It might be helpful to think of these two rates in terms of the costs associated with your car. Some of these expenses, such as fuel and many types of maintenance, are variable based on how much you drive the car. But your loan or lease payment, the cost of auto insurance, and the vehicle's registration fee are fixed regardless of how many miles you

drive in a month. In other words, you pay those fixed costs simply to have access to a reliable source of transportation when you need it.



GLE's monthly charge covers the cost of having access to a reliable source of electricity when you need it.

Similarly, GLE's monthly charge covers the cost of having access to a reliable source of electricity when you need it. In addition to the costs mentioned above, this charge also covers administrative, materials, storm restoration, property tax, insurance, and many more costs. As a not-for-profit electric cooperative, we don't have investors, our members are the owners. This means as our costs increase, that we, as members, must cover those costs.

Based on a recent rate review, GLE's board of directors will consider a proposed increase of \$3.96 to GLE's fixed monthly charge for residential and

seasonal members at a special open member meeting set for 11 a.m. on Tuesday, Oct. 22, at our main office in Boyne City. Rate changes for other service classes will also be proposed at the same meeting. If approved, the new rates will go into effect starting with bills issued in February 2025. No change is currently proposed for the per-kilowatt-hour rates.

While no one likes paying more on their electric bill any more than they like to pay increased transportation costs, both are important investments in keeping you and your electric cooperative reliably rolling along.



Great Lakes Energy seeks rate increase



Inflation is affecting our cost to provide electric service to our members. 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
Monthly Charge	\$39.21	\$39.21	\$39.21	\$39.21	\$43.17	\$43.17	\$43.17	\$43.17
Energy	0.13702	\$41.11	\$109.62	\$274.04	0.13702	\$41.11	\$109.62	\$274.04
PSCR	0.00188	\$0.56	\$1.50	\$3.75	0.00188	\$0.56	\$1.50	\$3.75
EO	0.00198	\$0.59	\$1.58	\$3.96	0.00198	\$0.59	\$1.58	\$3.96
LIEAF*		\$0.87	\$0.87	\$0.87		\$0.87	\$0.87	\$0.87
Tax*		\$3.26	\$6.08	\$12.84		\$3.42	\$6.23	\$13.00
		\$85.60	\$158.86	\$334.67		\$89.72	\$162.97	\$338.79
					Difference	\$4.12	\$4.12	\$4.12
						4.81%	2.59%	1.23%

Under the proposed rates, the fixed monthly charge for residential and seasonal members would increase by \$3.96. At this time, no change is proposed to the power supply cost recovery (PSCR) factor or the per-kWh rates for the residential and seasonal rate classes. However, changes are proposed for other rate classes.

For all residential and seasonal members, the change would result in a net increase of \$4.12 per month, after sales tax is added.

Although small, the increase would raise revenues to provide sufficient funding 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 at 11 a.m. on Tuesday, Oct. 22, at our main office in Boyne City. If approved, the new rates would take effect on bills rendered in February 2025.

**Charges required/approved by the State of Michigan.*



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