

Q. When does the rate adjustment take place?

A. After going more than five years without a rate adjustment and only the second rate adjustment in 17 years, United will begin to implement a rate adjustment starting on Sept. 1, 2021, and will be reflected on bills rendered on or after Oct. 1.

Q. Why do we have to have a rate adjustment?

A. The new rate structure, designed with the help of an independent rate consulting firm and an advisory committee composed of United members representing the cooperative's entire service territory, will more accurately match the revenue needed to support the cooperative's true service delivery costs today. The rate adjustment is projected to meet the cooperative's operational cost expectations until 2026.

Q. Is United the only utility proceeding with a rate adjustment?

A. While neighboring for-profit electric distribution utilities have implemented several rate increases, United's nonprofit structure, its conservative business practices and its ability to focus on service reliability instead of making a profit for distant shareholders have enabled the cooperative to go far longer than the average utility between rate adjustments.

Q. What does the rate adjustment pay for?

A. Costs for everything we use to operate, maintain and repair United's system have climbed substantially since the cooperative's rates were last increased five years ago. Steel, copper and any item we use to construct electric distribution facilities have all seen marked increases and volatility, especially as markets have reacted to the COVID-19 pandemic. We now are faced with the need to restructure and, in some cases, increase fees for service.

Q. What is the rate adjustment?

A. It's a 6.10 percent overall rate adjustment to its current electric distribution charges.

Q. What will that look like on my bill?

A. For a comparison and looking at August 2021's rate, a 2,000 kWh a month total cost is \$183.30. The rate adjustment would mean the same usage would cost \$195.10. That is an \$11.80 difference.

Q. What are cost of service studies and why are they necessary?

A. The costs of materials and infrastructure maintenance continuously increases. Cost of service studies are necessary periodic assessments that determine if the cooperative's revenues are meeting the current costs. United's Board of Directors and management continuously monitor the financial condition of the organization to determine if or when a rate increase is necessary. To establish the new rate structure, an independent, experienced rate consulting firm is hired to review and recommend changes to our rates, and these changes were vetted and agreed upon by a member advisory committee

Q. Does this mean an end to United's affordable electricity rates?

A. No. Even with a rate adjustment coming, United's adjusted rate will continue to be competitively priced compared to other utilities throughout the region and the state. Historically, United has always been at the lower end of that for many years because of the efficiency we've instilled into our operations. We are a rate-sensitive and member-focused non-profit cooperative dedicated to providing our members exceptional service and value.

Q. Does this rate adjustment have anything to do with Winter Storm Uri in February?

A. No. The rate adjustment was planned before Winter Storm Uri.

Q. Does this rate adjustment have anything to do with costs associated with the new high-speed internet project?

A. No. When it comes to United's electric side and high-speed internet side, both businesses are financially separate. The rate adjustment is occurring ONLY because of costs associated with the electric side.

Q. Why are we not receiving dividend checks?

A. United purchases energy from Brazos Electric Power Cooperative. Because of the uncertainty surrounding what United may be billed because of the Brazos bankruptcy, the co-op didn't believe it would be prudent to send out dividend checks without knowing what that final bill will be.

HOWEVER, because of Winter Storm Uri, the rate adjustment originally planned to take effect in April was postponed to September—helping to defray heightened member concerns about the impact of February's storm. In effect, the delayed rate adjustment in April resulted in a \$6 million rate decrease for members, or an amount approximating a portion of operating margins that may have traditionally been reallocated to member-owners later this fall in the form of member dividends.

Q. What can I do to reduce my electric costs and can United provide any assistance in this area?

A. United offers a multitude of options to help members manage their electric costs. These services include managing electric usage as well as flexible payment options such as budget billing, pre-paid service and auto-bank draft. Further, United performs FREE energy audits for its members to help them find energy hogs at their homes and businesses.