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## **NOTICE: Winterville Utilities Electric Rate Change**

Dear Winterville Electric Customer:

**What is changing?** This notice is to provide background for the recent change in the Town's Electric rate structure. At the September 12<sup>th</sup> Town Council meeting, the Town Council took action to safeguard the Town's Electric Fund. Due to changes in the energy market, the Town had to react swiftly to remain financially secure. The Town currently purchases its power from the Kings Mountain Energy Center (a combined cycle natural gas generation plant) located in Kings Mountain, North Carolina. In order to cover the drastically rising cost of natural gas, the Town adopted a Power Cost Adjustment (PCA) of 5 cent per kWh. We are hoping that this is a temporary measure and we will re-evaluate the market and rates on a regular basis. The Town has absorbed these increases for the past several months stabilizing rates for as long as possible.

**When will the change take effect?** For cycle one customers, the rate increase will begin with usage as of 9-15-2022 through 10-15-2022. This usage will be billed on October 28<sup>st</sup>, 2022 and will be due November 15<sup>th</sup>, 2022. If you are on cycle two, the rate increase will begin for usage on October 1<sup>st</sup>, 2022 through November 1<sup>st</sup>, 2022 and will be billed November 15<sup>th</sup>, 2022. It will be due on November 30<sup>th</sup>, 2022

**What does this mean for the average customer?** The average customer will see a monthly increase in the estimated amount of \$53.11. Please note that your impact will depend on how much energy you use to operate your home. If you consume higher than average amounts of electricity your bill will see a higher increase than those that use less.

**What is driving the change in Electric Rate prices across the nation?** Natural gas prices are expected to increase 150% over the course of the upcoming winter. Natural gas is one of the largest commodities used to generate electricity. It accounts for 38.3% of all electricity generated. There are three major issues causing the cost of natural gas to increase. The war with Russia and Ukraine has created a huge demand for natural gas globally. Other factors contributing are changes to pipeline permitting in the recent years reducing access to natural gas in North America. And finally, the switch to renewable energy is more expensive and costly than using fossil fuels.

**Customer assistance programs** are available from several sources: The Department of Social Services, LIWAP (Low Income Water Assistance Program), LIEAP (Low Income Energy Assistance Program), The Salvation Army, as well as, many local churches.

We realized that this increase will be an unpleasant change for our customers, so please know that we appreciate your patience as we continue to navigate these challenging times. Please contact the Town of Winterville with any questions or concerns. Thank you.

*The Town of Winterville*