East Central
ELECTRIC COOPERATIVE
powering ecoLINK

Empowering. Connecting. Exceeding.

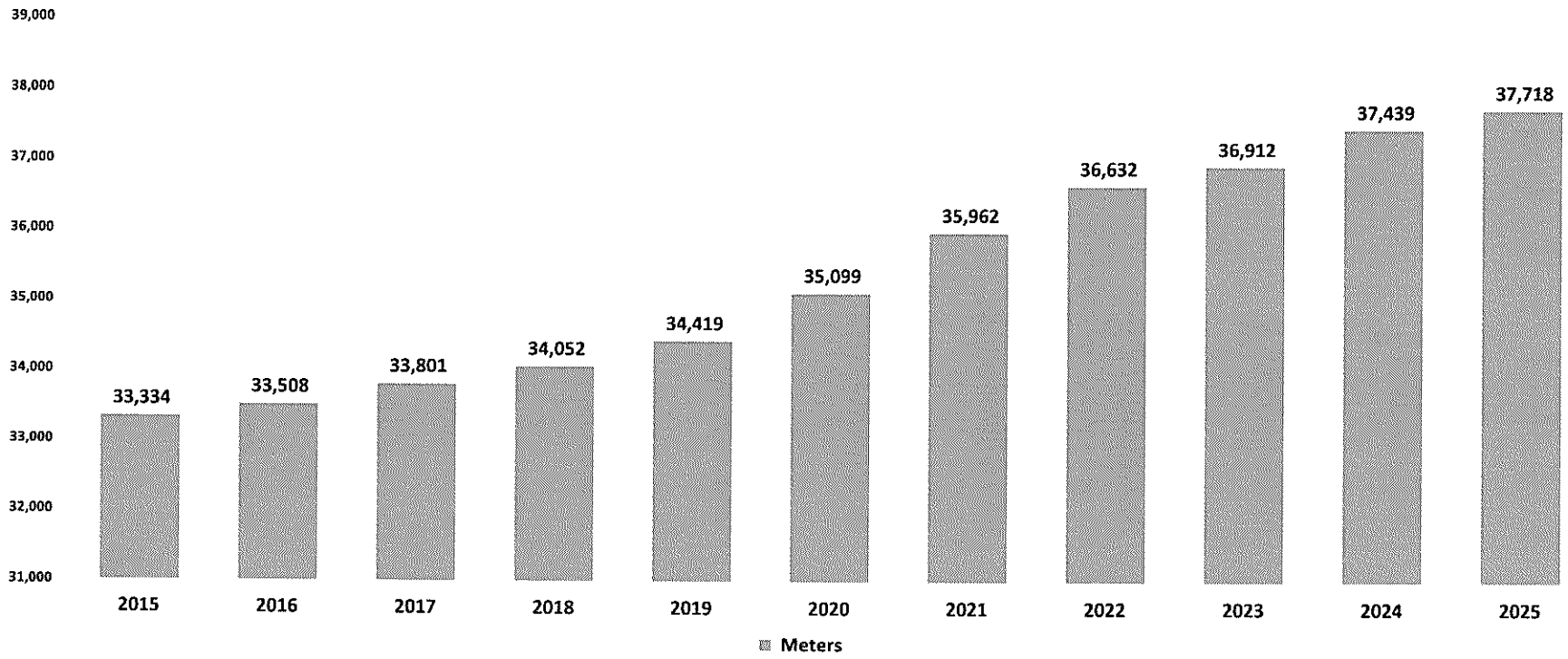
Inside My Cooperative: Member Engagement Forum

How the Energy Dollar is Spent

End of 2024 Year Expenses		Percentage
Power Cost	45,331,313	52.14%
Interest & Debt	10,595,105	23.19%
Depreciation	10,186,458	
Operations & Maintenance	11,418,605	13.13%
Administrative & General Expenses	7,028,423	8.08%
Member Services Expenses	2,386,236	2.74%
TOTAL EXPENSES	**$86,946,511**	**100%**

Meter Growth

METER GROWTH
.7 % in 2025
13.2 % since 2015
5.8 Meters per Mile

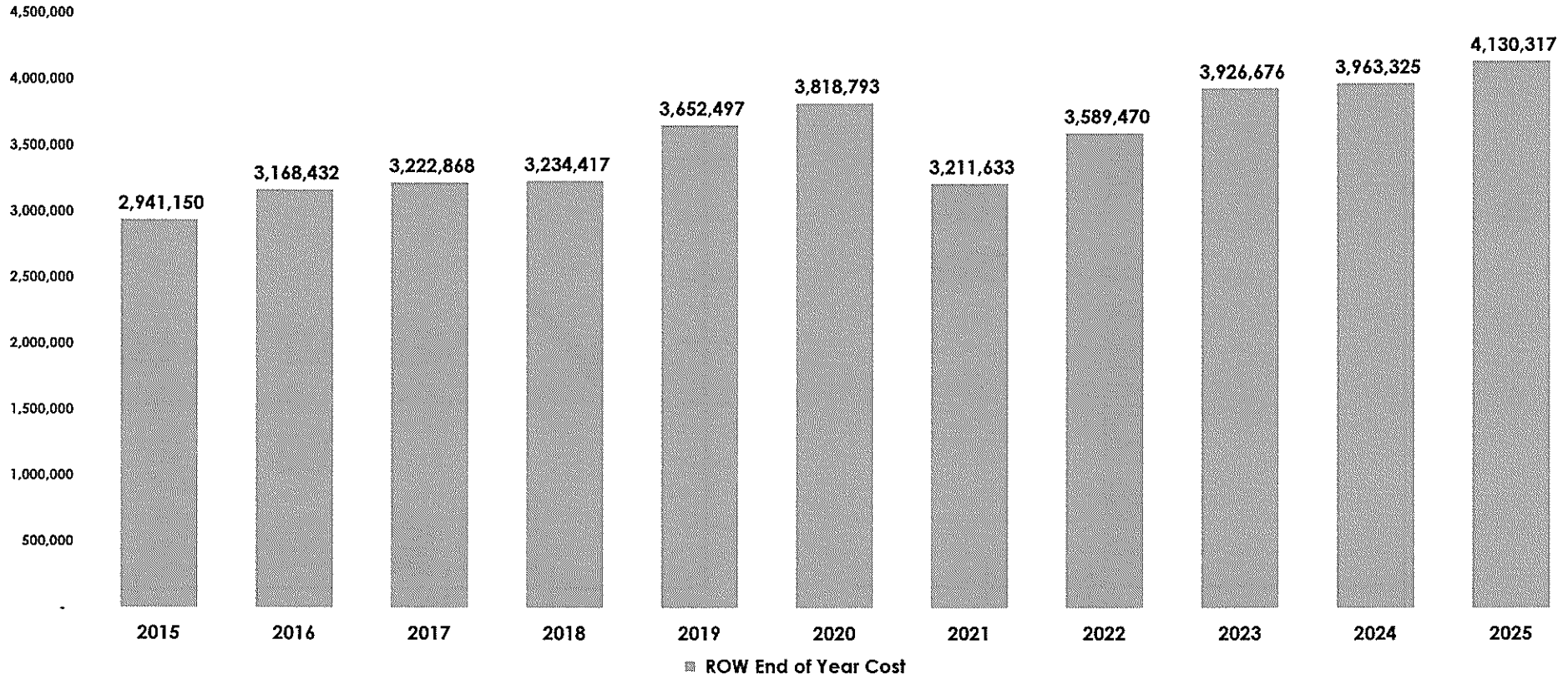


RIGHT-OF-WAY EXPENSE

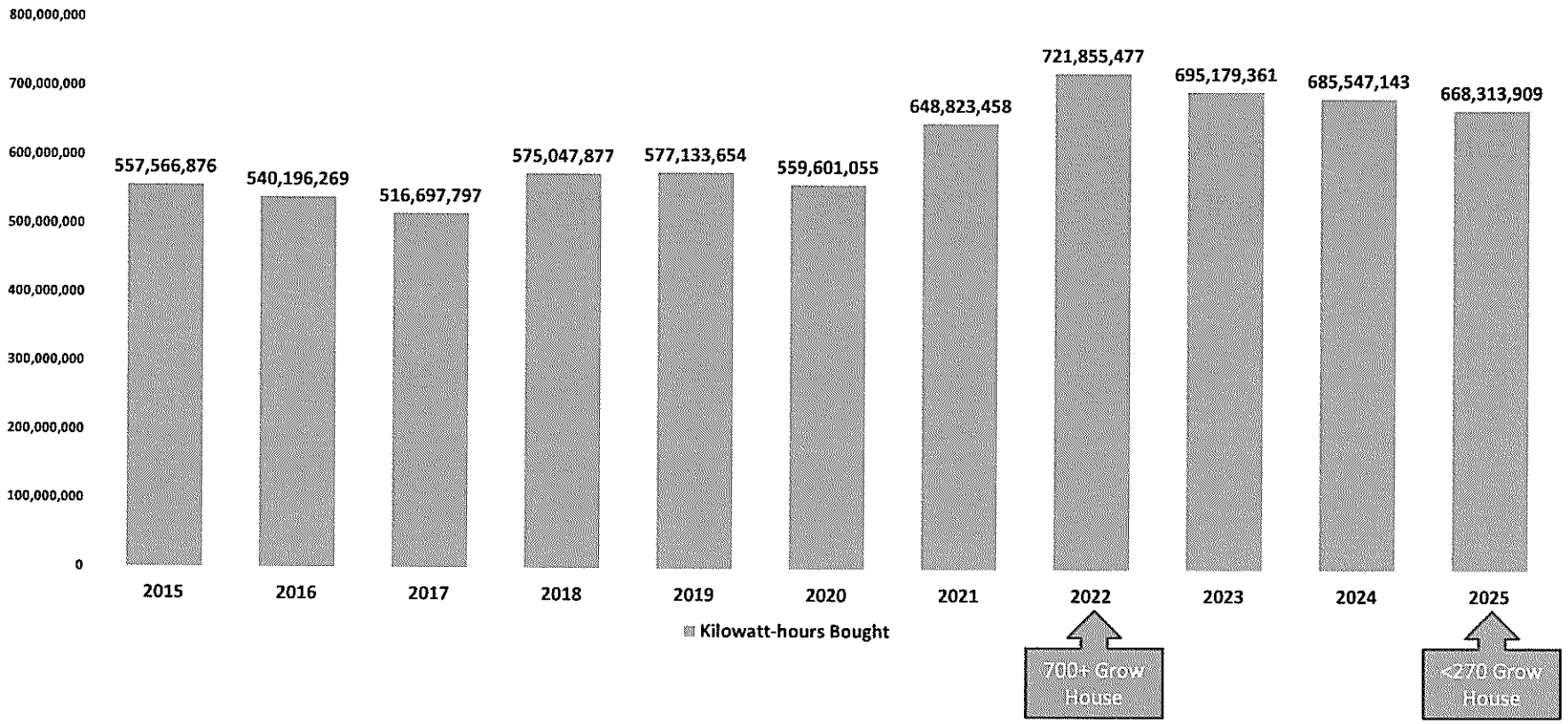
(6,460 miles of electric line)

RIGHT-OF-WAY STATS 2025

Miles of Line Trimmed: 405.6
Miles of Line Cleared: 130.6
Miles of Line Sprayed: 413.4
Trees Removed: 3,190



kWH Usage Bought



Employee Headcount

EMPLOYEE HEADCOUNT

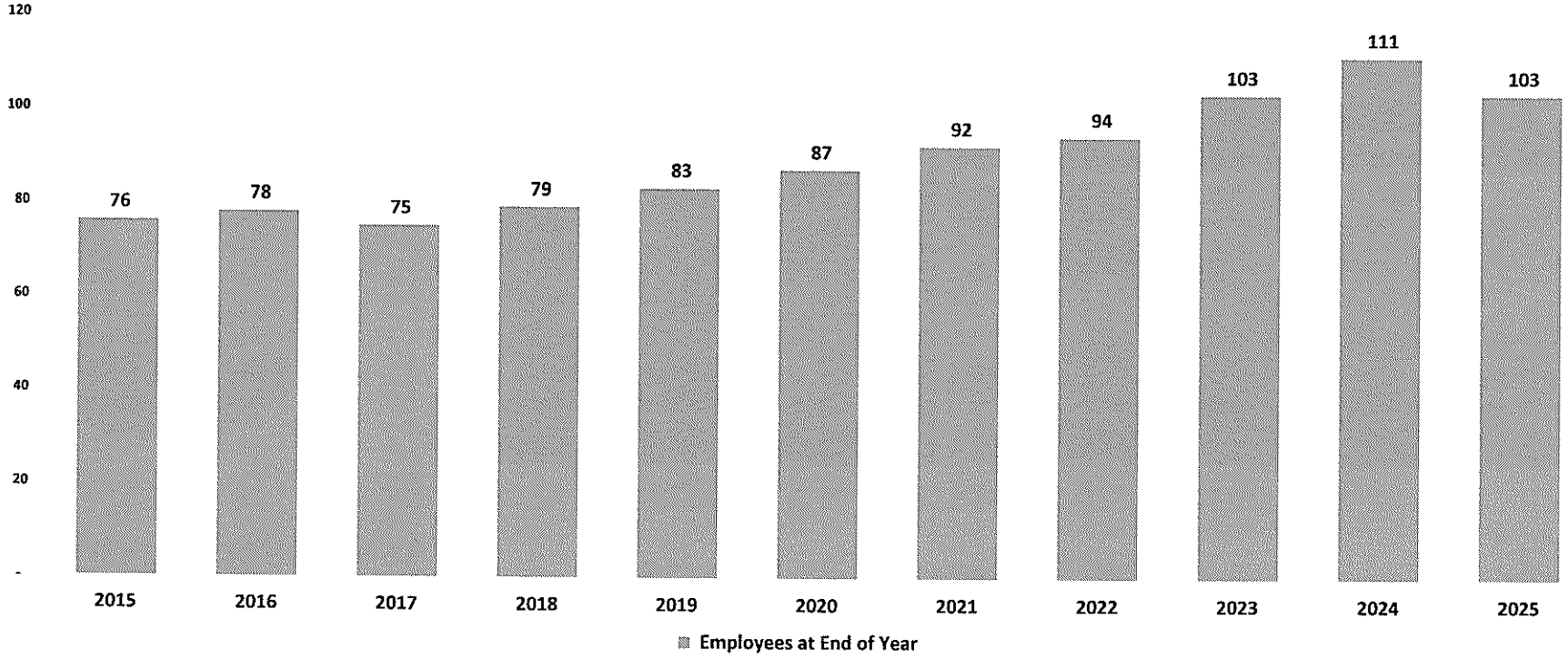
-7.2 % in 2025

35.5% since 2015

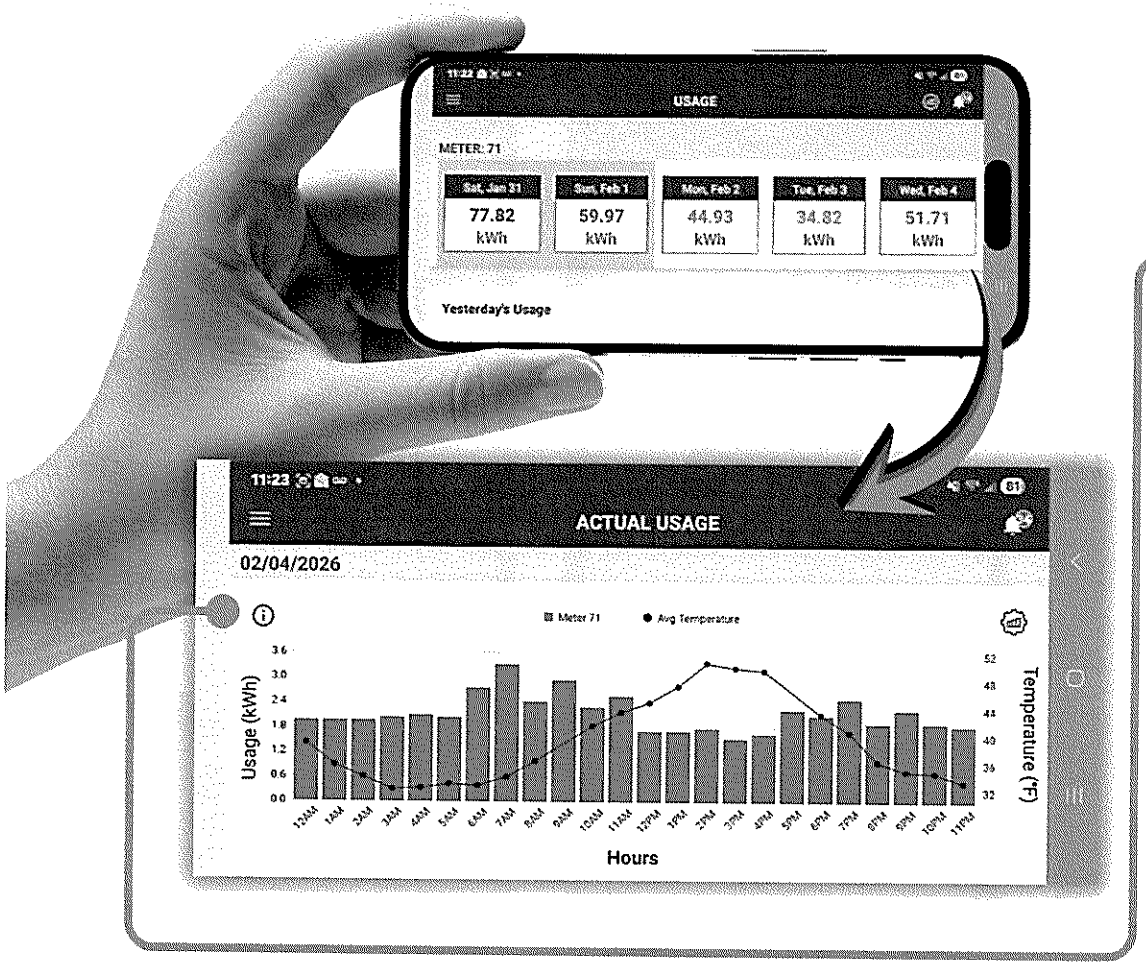
1 Employee for Every 366 Meters

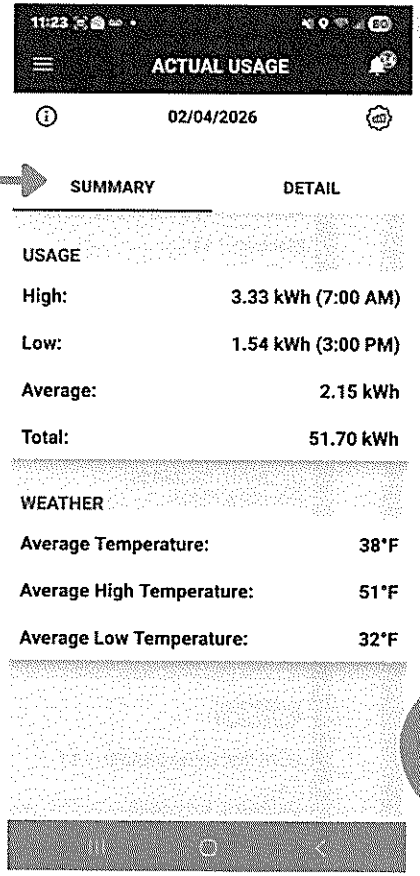
All Oklahoma Co-ops Average:

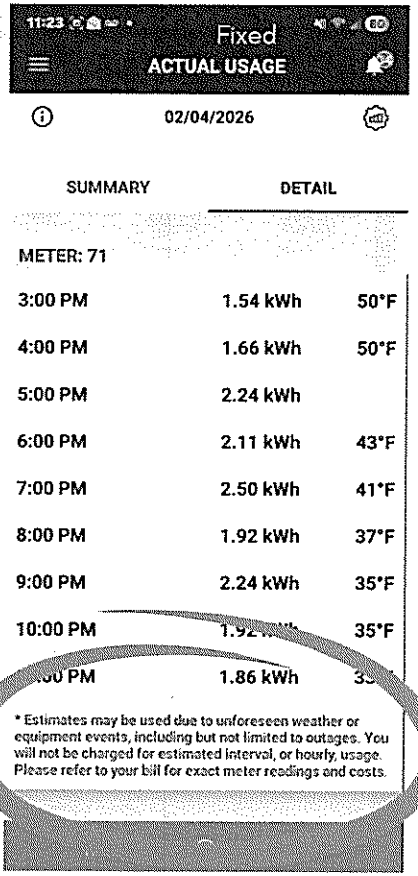
1 Employee to 274 Meters.



SmartHub As A Usage Tool







*Estimates may be used due to unforeseen weather or equipment events, including but not limited to outages. You will not be charged for estimated interval, or hourly, usage. Please refer to your bill for exact meter readings and costs.

Bill Usage Variations

(January 2026, with winter rates)

2,000 kWhs

Energy Charge	$176.56
Power Cost Adjustment	$60.37
Consumer Cost Adjustment	$6.20
Total Energy Cost on Bill	$243.13
Cost per kilowatt-hour	**12.2¢**

4,000 kWhs

Energy Charge	$288.12
Power Cost Adjustment	$120.75
Consumer Cost Adjustment	$12.41
Total Energy Cost on Bill	$421.28
Cost per kilowatt-hour	**10.5¢**

6,000 kWhs

Energy Charge	$399.68
Power Cost Adjustment	$181.12
Consumer Cost Adjustment	$18.61
Total Energy Cost on Bill	$599.41
Cost per kilowatt-hour	**9.9¢**

Associated Electric Cooperative Inc.

A Touchstone Energy® Cooperative

Balancing Affordability & Reliability for the Future

2026 Cost-of-Service & Long-Range Financial Forecast

At a Glance

- **Rate Increase:** 4% effective April 1, 2026
- **Average Cost:** $57.16/MWh » $58.94/MWh for Associated's member G&Ts
- **Revenue Impact:** +$36 million to support plant operations and new generation investments
- **Capital Budget:** $385 million in 2026
- **Long-Range Outlook:** $2.5 billion in capital spending by 2035, primarily for new generation and transmission upgrades

Five Key Takeaways

1. Anticipated, Necessary Cost-of-Service Adjustment
   - The **4% rate increase**, identified in last year's financial forecast, takes effect **April 1, 2026.**
   - A recent cost-of-service study shows rising **fleet maintenance costs** and **expenses for new generation projects.**
   - The adjustment helps maintain financial strength and protects against **credit rating pressure and higher borrowing costs.**

2. Investing in Reliability
   - **$385 million** capital budget in 2026 focuses on **system reliability and resource readiness.**
   - Nearly two-thirds supports **new combustion turbines**—flexible, on-demand, economical power to meet growing member needs.
   - Additional investments include, **plant upgrades at Thomas Hill and New Madrid,** and **transmission enhancements.**

3. Long-Range Planning to Avoid Cost Shocks
   - The **2026-2035 forecast** projects **$2.5 billion in capital investments** for system growth and reliability improvements.
   - **Disciplined, phased planning** helps prevent sudden double-digit rate increases.
   - Forecast assumes **steady 1% annual load growth, moderate inflation,** and **prudent financial management.**

4. Why Costs Are Rising
   - **Aging generation assets** require more maintenance and upgrades to sustain performance and reliability.
   - **New generation projects** – including **Ripley Energy Center** and **Turney Energy Center** – will add flexible capacity by **2026 and 2027.**
   - **Inflation, supply chain challenges,** and **higher interest rates** continue to increase construction and operating costs.

5. Balancing Affordable, Reliable Power
   - Commitment to **keeping power affordable** while sustaining financial strength.
   - **Strategic investments** ensure dependable, flexible generation for the future.
   - **Disciplined planning** protects members from cost shocks and supports long-term growth.

WFEC Update

January 28, 2026

Higher natural gas prices during the past week will impact electric bills

From WFEC CEO Gary Roulet

While Winter Storm Fern brought about extremely cold temperatures over the past week, the results will linger into next month's electric bills compared to December of 2025, which was an unusually mild weather month. Natural gas prices during the cold snap will have a great impact on upcoming retail bills.

December of 2025 was a mild weather month, with very little cold weather. The price of natural gas as a generating fuel was also moderate at $3.50 per MMBtu. With these factors in mind, customer electric bills were low in total cost considering it was December.

In comparison, the first 22 days of January followed the same mild weather period. A normal January will have about 860 heating degree days for the month. For the first 22 days, the heating degree days observed was 449. For the last nine days of the month the heating degree days observed was 413, resulting in a near normal level at 862.

However, the last nine days were anything but normal. WFEC burned over 100,000 MMBtu each day from Jan. 24 - 27, with lesser amounts before and after that period.

The temperature remained below freezing from 10 a.m. on January 23 through 2 p.m. on January 27, totaling just over 100 hours. Not only was it cold, but the north wind created wind chills that were extremely low, and to top it off there was a lot of snow in many areas.

During the Saturday, Sunday and Monday period, natural gas prices averaged around $35 per MMBtu, which is approximately 10 times higher than the first 22 days at $3.50 per MMBtu.

What will this mean for the upcoming January 2026 retail electric bills? For retail customers who are not all electric, bills might be slightly higher due to the cost of natural gas to generate. But, natural gas or propane bills will likely be a lot higher.

For an all-electric customer, electric bills will likely show a significant increase, based on the cost of electricity per kilowatt-hour (kWh), due to high fuel costs to generate. Also, kWh usage should be a lot higher due to the cold weather.

Many homes have highly efficient electric heat pumps, which work very well until the temperature outside falls below freezing. Once that occurs, in many cases, electric resistance heat is created to keep your home warm when heat pumps are not as effective. While this back up heat source works well to keep your home warm, it is not nearly as efficient, especially when the temperature is below freezing for over 100 hours.

Looking forward into the rest of winter, WFEC is well situated with an adequate coal inventory, as well as sufficient natural gas in storage, plus contracts. Wind and solar will be uncertain based on the type of weather that might occur, with less hydro to use going forward, based on the lake levels.

wfec

Billing Line Item Dictionary

Example bills from two different employees' homes in December.

Rate Schedule	Meter Reading Dates Previous	Meter Reading Dates Present	Meter Number	Meter Readings Previous	Meter Readings Present	Energy Used KWH
11	11/25/25	12/30/25		33832	37956	4124

		High Usage Example	Energy Used KWH	Average Usage Example
			1108	
Energy Charge		295.04		113.42
Power Cost Adjustment	4,124 kWh at 0.042131	173.75		46.68
Consumer Cost Adj	4,124 kWh at 0.014000	57.74		15.51
Operation Roundup		0.94		0.88
Gross Revenue Surcharge		10.53		3.51
	TOTAL BALANCE	538.00		180.00

Energy Charge

Noun : What you think of when you think "power bill."

(Kilowatt-hour usage × Rate) +$35 monthly customer charge = Energy Charge

Power Cost Adjustment (PCA)

Noun : The cost of fuel, paid to our Generation & Transmission partners (G&Ts - KAMO Power and WFEC).

(Kilowatt-hour usage × PCA rate set by G&Ts) = Power Cost Adjustment

The number after the "at" changes monthly based on the market wholesale cost of fuel. This charge is directly passed from the G&T to the member. This year members will see an increase.

Consumer Cost Adjustment (CCA)

Noun : A billing mechanism used to reduce the need for frequent rate increases.

(Kilowatt-hour usage × CCA rate set by basic financial requirements to cover expenses) = Consumer Cost Adjustment

The number after the "at" is determined by the short-term financial needs of keeping the lights on and fluctuates each month.

Security Light

Noun : Cost to operate and maintain security lighting on property, if applicable. PCA and CCA also apply.

Operation Round Up

Noun : An optional donation of spare change that is awarded to local charities, individuals in need, and scholarships for members.

Gross Revenue Surcharge

Noun : A two percent state-mandated fee that is used to fund local schools. Funds are allocated based on the miles of electric line the co-op has in each school district.

How are electric meters read and what can cause disruptions?

Your electric meter never stops measuring how much electricity you use. Sometimes there are interruptions in communications sending detailed time-of-day information, but the total main usage reading remains accurate.

The main usage reading is stored securely inside the meter. It does not rely on constant communication and continues counting even if data transmission is interrupted. A direct communication is sent to the meter nightly, and this is what is used for actual billing.

What Is Interval Data?

Interval data is a detailed breakdown of electricity use by time, such as hourly periods. This helps analyze usage patterns to provide more information in understanding your usage, but it is not what your bill is based on.

What interferences can cause interval data to disrupt communication?

Interval data travels over the same power lines that deliver electricity. Those lines can experience interference. Common causes include:

- Weather conditions
- Electrical equipment starting and stopping
- Motors, pumps, and compressors
- Variable-speed drives and welders
- EV chargers and large appliances
- Long rural line distances
- Normal electrical noise on the system

Similar to a cell phone losing call reception. The communication that was had still happened, but one may have not heard the entire conversation.

Why Does the Main Meter Reading Still Work?

The main meter register is like a car's odometer. It continuously counts total electricity used. Interval data is more like a trip log. Even if some trip details are missing, the odometer reading is still correct.

What Means for Your Bill?

Your bill is calculated using the total usage reading from the meter checked each night. Disruption in communication with the meter may affect detail, but not the accuracy of your bill.

East Central Electric Cooperative Acronyms

Acronym	Stands For	Explanation
PCA	*Power Cost Adjustment*	The cost of fuel, paid to our Generation and Transmission partners.
CCA	*Consumer Cost Adjustment*	A billing mechanism used to reduce the need for frequent rate increases, by keeping the rate aligned with the revenue requirement to operate.
ROW	*Right-of-Way*	Our program for clearing tree limbs and other vegetation from the 10-foot radius around our power lines.
CAFII	*Connect America Fund Phase II*	A Federal Communications Commission program that provided roughly $1.5 billion annually to telecommunications carriers to expand broadband and voice services to unserved, high-cost rural areas.
RDOF	*Rural Digital Opportunity Fund*	A Federal Communications Commission program to deploy high-speed broadband to rural, unserved homes and small businesses.
ARPA	*American Rescue Plan Act of 2021*	Signed into law on March 11, 2021, it is a $1.9 trillion stimulus package designed to accelerate the nation's recovery from the health and economic effects of the COVID-19 pandemic.

Units & Common Terms

Acronym	Stands For
kW	Kilowatt
kWh	Kilowatt-hour
MW	Megawatt
MWh	Megawatt-hour

Acronym	Stands For	Explanation
USDA	*U.S. Department of Agriculture*	Federal dept. housing RUS, among other rural programs.
DOE	*Department of Energy*	Federal energy policy, R&D, grid policy oversight.
FERC	*Federal Energy Regulatory Commission*	Regulates wholesale electricity markets and interstate transmission.
EIA	*Energy Information Administration*	DOE statistical agency for energy data.
EPA	*Environmental Protection Agency*	Regulates environmental impacts (air, water, etc.).
OCC	*Oklahoma Corporation Commission*	State utility regulator for PSO and OG&E. Our co-op members voted out of OCC regulation in 2004.

⚡ Grid & Market Operations

Acronym	Stands For	Context
RTO	*Regional Transmission Organization*	Coordinates grid operations over large regions.
SPP	*Southwest Power Pool*	The primary Regional Transmission Organization for our area that works with Western Farmers Electric Cooperative.
ISO	*Independent System Operator*	Similar to RTO; manages transmission and markets.
BA	*Balancing Authority*	Entity balancing generation & load in real time.
DR	*Demand Response*	Load adjustments to help grid reliability.
