



## Rate Changes to Take Effect April 1, 2019

The last time Little Ocmulgee EMC (LOEMC) increased its retail rates was Jan. 1, 2009. That was more than 10 years ago. A lot has changed in 10 years.

George W. Bush was still President of the United States on that date. The price of a full-size pickup truck has increased 48 percent since 2009, and unleaded gasoline costs have gone up more than 15 percent during that time period. According to the U.S. Bureau of Labor Statistics, inflation alone has increased 19 percent.

One thing that has not changed is the fact LOEMC is committed to delivering you reliable power and providing quality customer service at the lowest possible cost. As such, our cooperative works hard to minimize the impact of necessary price increases.

As a not-for-profit business, LOEMC is accountable to our consumer-members, not outside investors. There are some things outside our control, however—unfavorable weather, storm damage, unexpected costs, changes in accounting, regulatory and legal requirements, plus others.

As a result of inflation itself as well as these uncontrollable items, LOEMC will be implementing a residential and seasonal rate increase beginning April 1, 2019. The increase amounts to \$5 per meter per month, or the equivalent of 17 cents per day.

This is not an increase in the rate for overall use of electricity but rather in the base/minimum charge, also known as an energy delivery charge. Currently, some of the fixed costs of building and maintaining the distribu-

tion electric grid, along with servicing your account, are recovered through what you pay for electricity. LOEMC is moving to more accurately allocate these costs, both fixed and energy, to their true sources.

The base charge does not include the cost of the

### Residential/Seasonal Rate Averages

	Currently	Beginning 4/1/2019	Increase	
kWh	1,006	1,006		
Monthly bill	\$ 133.41	\$ 138.41	\$ 5.00	3.75%
Costs per day	\$ 4.45	\$ 4.61	\$ 0.16	

### Prepaid Residential/Seasonal Rate Averages

	Currently	Beginning 4/1/2019	Increase	
kWh	988	988		
Monthly bill	\$ 127.83	\$ 135.33	\$ 7.50	5.87%
Costs per day	\$ 4.26	\$ 4.51	\$ 0.25	

actual electricity you use, so any energy efficiency and/or renewable-energy improvements you make will still enable you to realize a true cost savings from the reduction in energy charges. Every consumer-member benefits from these base services, so the base charge helps Little Ocmulgee EMC ensure that costs are spread fairly and equitably among the consumer-members.

The average LOEMC consumer-member affected by this increase used 1,006 kilowatt-hours (kWh) per month for calendar year 2018. This increase in the base charge would equate to a 3.75 percent, or \$5 per month,

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# Plant Vogtle Deal Makes for a Bright Energy Future

In 2007, when the price of natural gas was double or even triple what it is today, Little Ocmulgee, through our wholesale energy provider, Oglethorpe Power Corp., was actively seeking opportunities to acquire safe, reliable and affordable electric generation resources to assure your long-term power needs.

Natural gas-fired generation was not a competitive option at that time.

Nuclear energy afforded the best large-scale value and a prime opportunity existed in our own backyard.

Oglethorpe Power was already participating in active partnerships with other utilities in the state's existing nuclear facilities, namely Plants Vogtle and Hatch. Through this partnership, we were able to move forward with what would become the first new nuclear project in the U.S. in more than 30 years. Amid great optimism, and with all of the state's utilities as stakeholders, construction began on Plant Vogtle, units 3 and 4.

A cost analysis at the time showed that Oglethorpe's original investment was a sound business decision that would pay for itself many times over in the decades ahead. The new Vogtle project would enhance our ability to provide safe, reliable, carbon-free, baseload power—24 hours a day, seven days a week, 365 days a year—for 60 to 80 years while keeping consumer energy costs affordable.

As construction proceeded, costs began to grow, which was not ideal, but still in a range that was manageable.

Fast-forward 10 years, to March 2017. Westinghouse, the lead contractor building Units 3 and 4, filed for bankruptcy, leaving the power company partners to decide if they wished to continue with the project, and if so, how to proceed.

Southern Nuclear, a wholly owned subsidiary of Southern Co., stepped in to lead a new partnership with

primary oversight of the project as its largest stakeholder. After providing what they deemed to be a thorough cost analysis, Oglethorpe's share of the total budget rose to more than \$7 billion.

Feeling that it could no longer treat the Vogtle project as a blank checkbook, Oglethorpe's Board of Directors strongly considered stepping away, which would have brought construction to a halt. However, the decision weighed heavily on Georgia's cooperatives because stopping the project would have meant that rural Georgians would have to pay more than \$3.7 billion for costs incurred thus far with no tangible benefits. After much negotiation, Southern Co. agreed to limit its partners' exposure to future cost increases, should they occur, and provide other cost-mitigating measures.

Oglethorpe evaluated its budget and determined that with further upside costs controlled, Plant Vogtle remains a very sound long-term investment and worthy of continued support. As an EMC that receives wholesale electricity from Oglethorpe Power, Little Ocmulgee supported their position and was pleased with the outcome.

Nuclear energy is a low-cost, carbon-free and safe generation resource. It will complement our energy portfolio, which includes a mix of traditional and alternative options that will assure when you flip the switch, your lights will come on.

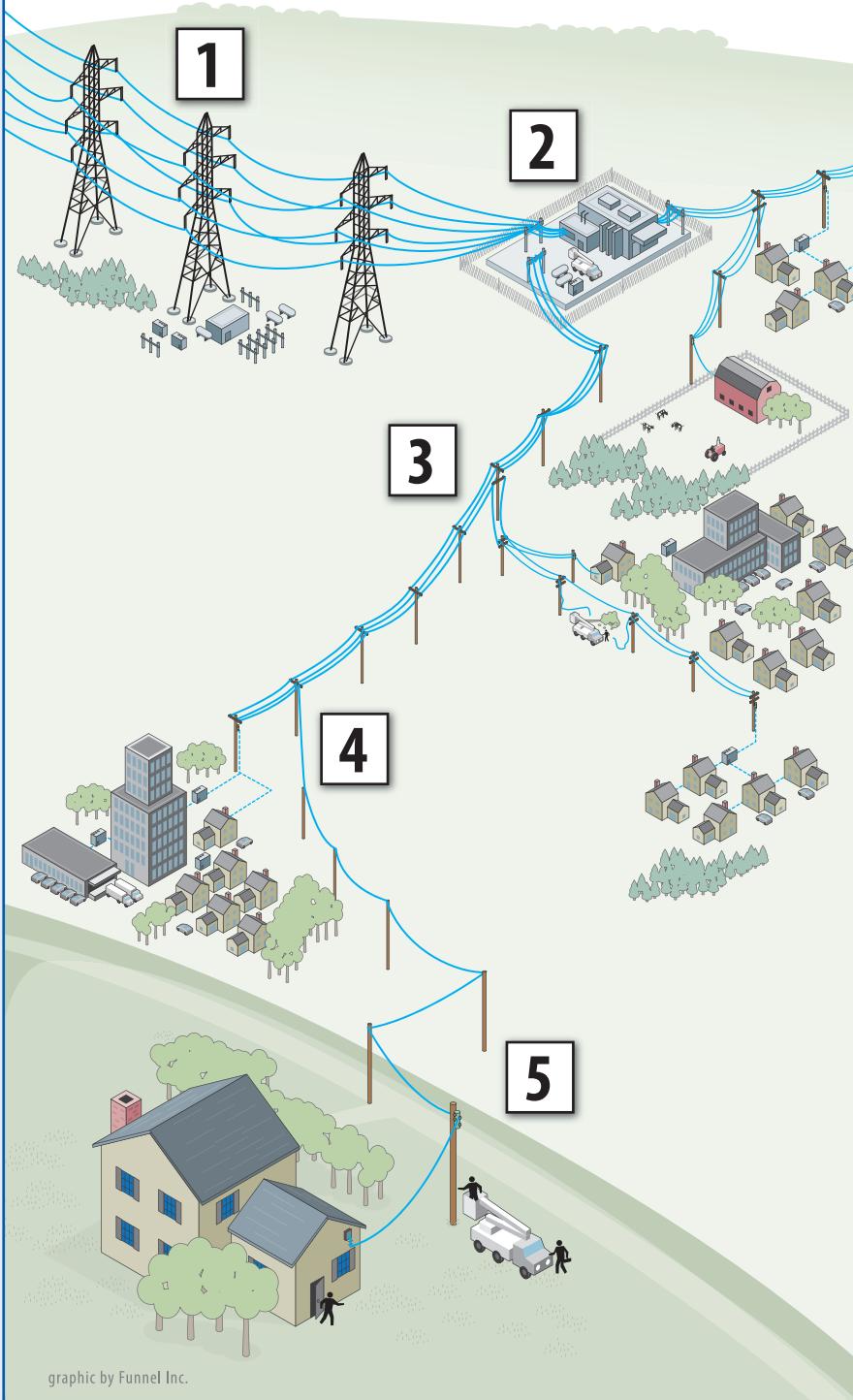
Plant Vogtle Units 3 and 4 are scheduled to come on-line in 2021 and 2022, respectively. The units will generate enough emission-free electricity to power approximately 500,000 homes and businesses.

At Little Ocmulgee, we will continue to represent you, our members, by seeking opportunities to lower your monthly energy costs and provide reliable and safe electricity to support our area's growing families and prosperous business enterprises.



# Powering Up

When electricity goes out, most of us expect power will be restored within a few hours. But when a major storm causes widespread damage, longer outages may result. Little Ocmulgee EMC line crews work long, hard hours to restore service safely to the greatest number of consumers in the shortest time possible.



graphic by Funnel Inc.

## 1 High-Voltage Transmission Lines

Transmission towers and cables that supply power to transmission substations (and thousands of members) rarely fail. But when damaged, these facilities must be repaired before other parts of the system can operate.

## 2 Distribution Substation

Each substation serves hundreds or thousands of consumers. When a major outage occurs, line crews inspect substations to determine if problems stem from transmission lines feeding into the substation, the substation itself, or if problems exist down the line.

## 3 Main Distribution Lines

If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of consumers in communities or housing developments.

## 4 Tap Lines

If local outages persist, supply lines, called tap lines, are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools, and homes.

## 5 Individual Homes

If your home remains without power, the service line between a transformer and your residence may need to be repaired. Always call to report an outage to help line crews isolate local issues.

# The Seven Cooperative Principles



- 1. Voluntary and open membership** – Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership.
- 2. Democratic member control** – Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.
- 3. Members' economic participation** – Members contribute equitably to, and democratically control, the capital of their cooperative.
- 4. Autonomy and independence** – Cooperatives are autonomous, self-help organizations controlled by their members.
- 5. Education, training and information** – Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives.
- 6. Cooperation among cooperatives** – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together.
- 7. Concern for community** – While focusing on member needs, cooperatives work for the sustainable development of their community.

## Help Us Save Your Money!

**B**efore you pay your Little Ocmulgee EMC bill, consider this:

Any time a member pays with a credit or debit card, Little Ocmulgee EMC is charged a transaction fee. Over time, these fees can add up to thousands of dollars.

You can help us save money—YOUR MONEY—by having your payment drafted directly from a bank account. **Unlike credit and debit cards, there are no transaction fees associated with bank draft.** In addition, payments are drafted the day before the due date, so you avoid late fees.

Contact a Member Services Representative today to sign up for bank draft.



To date, Little Ocmulgee EMC has paid almost \$7.5 million in capital credit retirements to current and former members.



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increase on their monthly bill.

The more than 1,200 accounts on LOEMC's pre-paid rate will experience an additional increase of \$2.50 per meter per month, the equivalent of 8 cents per day. This increase will cover the additional costs provided by the more flexible options available to this rate class.

The average LOEMC consumer-member affected by this increase used 988 kWh per month for calendar year 2018. This increase in the base charge would equate to a 5.87 percent, or a \$7.50 per month increase, on the monthly bill.

It remains the mission of Little Ocmulgee EMC to provide safe, reliable and affordable electricity to each of our consumer-members. As stated earlier, we will continue to work hard to minimize the impact of price increases and truly believe even with these rate changes, the value of electricity remains high—an average of \$4.61 per day for average traditional accounts and \$4.51 per day for average pre-paid accounts.