

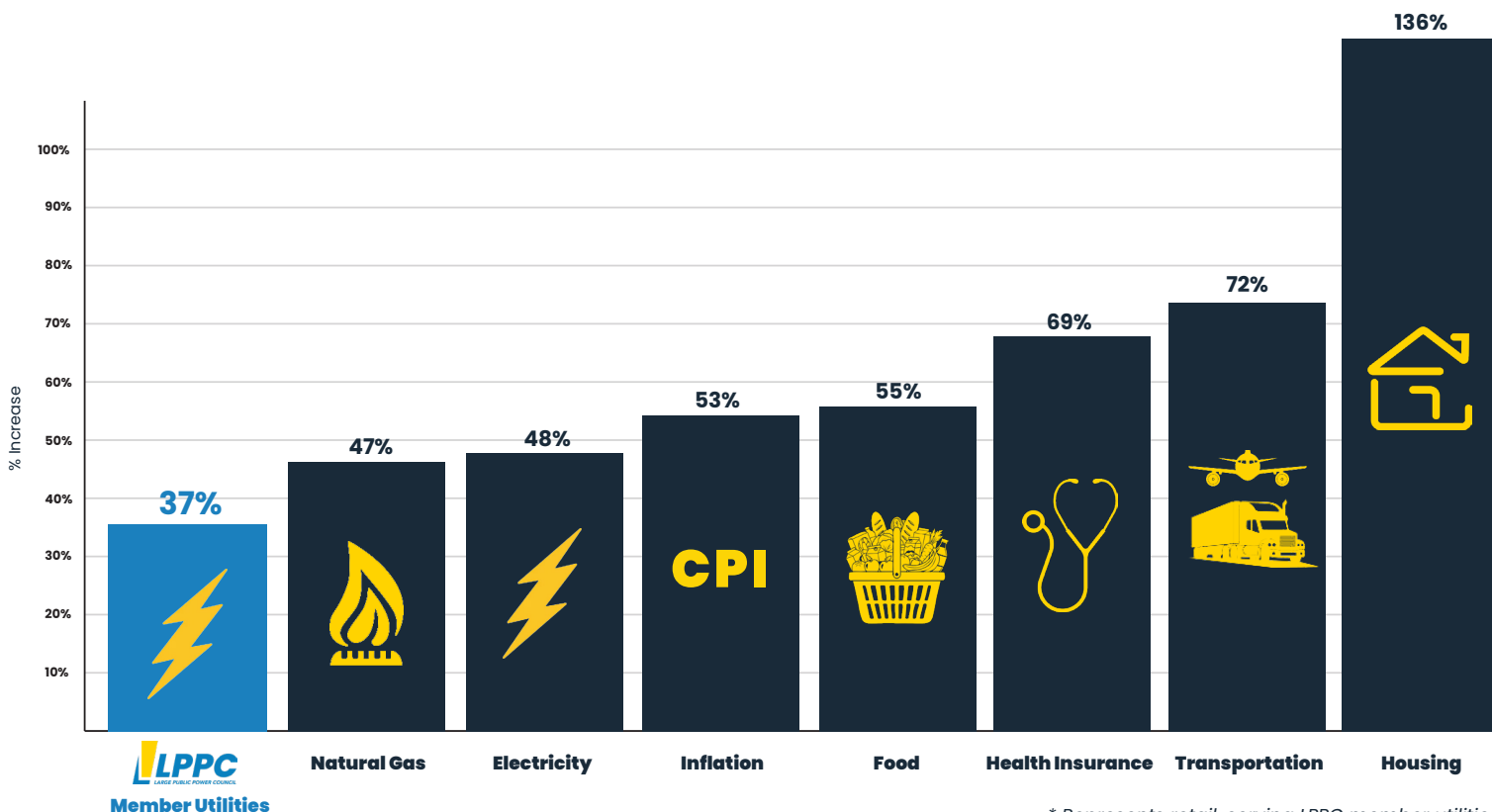
RELIABILITY, AFFORDABILITY: PUBLIC POWER'S PRIMARY MISSION

LPPC member utilities have held their electricity price increases below inflation and every other major cost category shown.

As not-for-profit, community-owned public power utilities, LPPC members share a single purpose: providing the most reliable electric service at the least cost to their customers.

In a recent study, LPPC members offer some of the most affordable residential rates in the U.S., with a combined average rate **~19% less than the national average.**¹ Since 2010, LPPC member utilities' residential electric rates are **~17% less than the rate of inflation, and significantly less than the increases in all other major goods and services**, as shown in Figure 1.

Figure 1: Combined Average % Increase of Electricity & Other Commodities in U.S. States Served by LPPC Member Utilities (2010-2025)¹⁻⁷



¹ Annual Electric Power Industry Report (Form EIA-861) | U.S. Energy Information Administration, October 2010 & October 2025

² Monthly Report of Natural Gas Purchases and Deliveries to Consumers (Form EIA-857) | U.S. Energy Information Administration, 2010 & 2025

³ Regional Consumer Price Index | Bureau of Labor Statistics, 2010 & 2025

⁴ Regional Food & Beverage Price Index | Bureau of Labor Statistics, 2010 & 2025

⁵ Average Health Insurance Premiums for Individuals by State | Kaiser Family Foundation, 2010 & 2025

⁶ Consumer Price Index for All Urban Consumers: Transportation Services in U.S. City/Region Average | U.S. Bureau of Labor Statistics via FRED (Federal Reserve Bank of St. Louis, 2010 & 2025)

⁷ FHFA House Price Index (All Transactions) | Federal Housing Finance Agency, 2010-2025

PROTECTING CUSTOMER **AFFORDABILITY**

How do LPPC member utilities protect customers from inflation, power supply fluctuations, large loads, and other rate stressors?



RELIABILITY AND SATISFACTION, NOT JUST RATES

Low rates mean little if the lights go out. LPPC member utilities operate some of the most reliable systems in the country, with roughly **one-third fewer service interruptions** than the national average⁸. Customers notice: on average, members score in the **top 25% for customer satisfaction**, with several earning top honors in their segments in 2025, according to J.D. Power⁹. **Public power keeps costs down without cutting the quality of service.**



NO EQUITY INVESTORS, NO CORPORATE INCOME TAX: A LOWER COST OF CAPITAL

Public power utilities answer to customers, not shareholders. With no equity investors to satisfy, they build no shareholder return into their rates and pay no dividends, and as not-for-profit public entities they carry no corporate income tax. Elsewhere, both the shareholder return and the corporate tax are costs built into the bill, paid by customers. Public power customers pay neither, the single largest reason their rates run lower. A third advantage adds to these: tax-exempt municipal bonds and federal financing tools that **lower the cost of the debt that funds generation and transmission.**



NO PROFIT INCENTIVE TO BUILD

A utility that earns a regulated return on the capital it deploys has a built-in reward for spending. Public power utilities do not: they earn no return on capital, so they have no such incentive. They make procurement and investment decisions based on what customers actually need, availability, and price, and they share equipment and best practices with peer systems to hold costs down. **The absence of a profit motive changes what gets built and what customers pay for it.**



LOCAL GOVERNANCE AND ACCOUNTABILITY

These utilities are governed locally, by city councils, elected boards, or public boards accountable to customers rather than to distant shareholders. Rate decisions are made in public by people who live in the community and pay the same rates. **That proximity keeps affordability and reliability answerable to the customers directly affected.**



LARGE LOAD TARIFFS THAT PROTECT RESIDENTIAL CUSTOMERS

As demand grows from data centers, advanced manufacturing, and electrification, LPPC member utilities are implementing large load tariffs designed so that new data centers and industrial users pay their own way and do not shift costs onto residential customers. More than a dozen members have implemented or are developing these tariffs, which include interconnection studies, minimum-demand and take-or-pay provisions, long-term contracts with exit fees, and customer-funded infrastructure. **These protection mechanisms align with LPPC members' core objective of ensuring affordability for their customer-owners.**



HELPING CUSTOMERS WHO NEED IT MOST

Members participate in the Low Income Home Energy Assistance Program (LIHEAP) alongside city, state, and utility-funded assistance programs, and many offer flexible arrears and disconnection policies with dedicated enrollment outreach. **As inflation has raised the cost of nearly every household good, these programs help keep electric service within reach for lower-income customers.**

⁸ Annual Electric Power Industry Report (Form EIA-861) | U.S. Energy Information Administration, October 2025

⁹ 2025 U.S. Electric Utility Residential Customer Satisfaction Study | J.D. Power, December 2025