



Rate Adjustment: Frequently Asked Questions (FAQ's)

****Please note that the Service Charge will now be called Access Fee.****

****New kWh rates are highlighted. ****

Q: Will my bill go up?

A: There will be an approximate twelve (12) percent rate increase for all rate classes. Even with these adjustments, REA Energy's kWh rates remain one of the lowest in the state and in our area.

- For residential appliance meters, the rate is increasing from \$0.10465 to **\$0.11512** per kWh, and the access fee will increase from \$37.50 to **\$42.00**.
- If you have an electric heat meter, the rate will increase from \$0.09465 to **\$0.10412** per kWh; you may notice a slight increase in your bill.
- Dual Fuel and ETS heat rates are increasing from \$0.06495 to **\$0.07145** per kWh; you may notice a slight increase in your bill.
- Outdoor lights will increase from \$15.95 per month to **\$17.95** per month.
- Commercial rates will also be increasing as follows:
 - Small Commercial Accounts – No Demand – The rate will increase from \$0.10465 to **\$0.11512** per kWh, and the access fee will increase from \$44.50 to **\$50.00**.
 - Small Commercial Accounts – With Demand – The rate will increase from \$0.07495 to **\$0.08245** per kWh, and the access fee will increase from \$120.00 to **\$134.50**. The demand charge will increase from \$11.95 to **\$13.50**.
 - Large commercial accounts – The rate will increase from \$0.05995 to **\$0.06595** per kWh. The access fee will increase from \$240.00 to **\$269.00**. The demand charge will increase from \$16.45 to **\$18.50**.

Q: Why is there an increase?

A: Several factors have led to the need for a rate increase, one of the biggest contributors to rising costs affecting the electric industry are increases in both generation costs and transmission costs. Allegheny Electric Cooperative provides approximately sixty-five (65) percent of REA Energy's power. However, the other thirty-five (35) percent is purchased on the open market. Open market costs have increased substantially over the last few years. Recent forecasts have predicted up to an 800 percent increase in wholesale power costs in the next few years.

Q: How do REA Energy's rates compare to wholesale rates?

A: Wholesale generation and transmission costs have increased 40.29 percent from 2019 to now. In comparison, REA Energy has had only a 33.24 percent increase in rates over the same period. Generation and transmission costs are passed through to the members margin-free, with no additional costs added.



Q: What are some of the other factors that can lead to a rate increase?

A: As mentioned above, a major driving factor has been the increases in costs for wholesale generation and transmission and open market purchase forecasts. Other factors that have lead to an increase include:

- Operating Costs.
- Cost of maintaining the cooperative's Right-of-Way program.
- Rise in prices of capital items (poles, wire, etc.)
- Since the last Rate Adjustment in January 2023, inflation has caused a rise in prices of all goods; some items in the electric distribution industry have seen price increases of thousands of dollars. Following are average percentages of the increase in prices of materials and equipment the cooperative utilizes over the last 5 years:
 - **Poles and Crossarms:** ninety-two (92) percent increase
 - **Wire:** sixty (60) percent increase
 - **Pole Line Hardware:** ninety-nine (99) percent increase
 - **Distribution Transformers:** one hundred eighteen (118) percent increase
 - **Protective Equipment:** sixty-one (61) percent increase
 - **Molded Fiberglass:** seventy-eight (78) percent increase
 - **Utility Trucks:** forty-two (42) percent increase
 - **Fuel Costs:** sixty-eight (68) percent increase

Q: How can I pay my bill?

A: REA Energy Offers several payment options, including:

- Online through SmartHub, available at www.reaenergy.com. One-time payment by credit card/check, enrollment in autopay, schedule future payments (all SmartHub options are FREE).
- MyREAenergy smartphone App (available for Apple and Android products). Same payment options as online with SmartHub.
- Payment by phone: Call 844.920.3395. Members can make one-time payments or set up autopay. Available 24/7.
- Office: available 7am-3:30pm by cash, check, money order or credit card.
- Mail: payment by mailing your check or money order, along with your monthly bill.
- Drop Box: leave payments in drop boxes at either location 24/7.



A Touchstone Energy® Cooperative 

For member's reference:

Rate Category	Current Rate	New Rate	Current Service Charge	New Service Charge
Residential	\$0.10465/kWh	\$0.11512/kWh	\$37.50/month	\$42.00/month
Residential (Heat)	\$0.09465/kWh	\$0.10412/kWh	N/A	N/A
Residential (Solar)	\$0.10465/kWh	\$0.11512/kWh	\$38.50/month	\$43.25/month
Small Commercial – No Demand	\$0.10465/kWh	\$0.11512/kWh	\$44.50/month	\$49.50/month
Dual Fuel & ETS	\$0.06495/kWh	\$0.07145/kWh	N/A	N/A
Outdoor Lights	\$15.95/month	\$17.70/month	N/A	N/A

Rate Category	Current Rate	New Rate	Current Service Charge	New Service Charge	Current Demand Charge	New Demand Charge
Small Commercial With Demand	\$0.07495/kWh	\$0.08245/kWh	\$120.00/month	\$134.50/month	\$11.95	\$13.50
Large Commercial	\$0.05995/kWh	\$0.06595/kWh	\$240.00/month	\$269.00/month	\$16.45	\$18.50

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