

# NEW RATES EFFECTIVE NOVEMBER 1<sup>ST</sup> 2007

## RESIDENTIAL SERVICE (RS)

Availability Charge (minimum bill)	Old	New
Single Phase	\$20.00	<b>\$26.95</b>
Three Phase	\$20.00	<b>\$35.20</b>

  

Energy Charge	Per kWh	Per kWh
Distribution	\$0.0705	\$0.01940
Purchased Power		\$0.08150
Current WPCA	\$0.0420	\$0.00600
<b>Total Energy Charge</b>	<b>\$0.1125</b>	<b>\$0.10690</b>

## SMALL COMMERCIAL SERVICE (SCS)

Availability Charge (minimum bill)	Old	New
Single Phase	\$20.00	<b>\$41.15</b>
Three Phase	\$25.00	<b>\$52.65</b>

  

Energy Charge	Per kWh	Per kWh
Distribution	\$0.0860	\$0.0177
Purchased Power		\$0.0798
Current WPCA	\$0.0420	\$0.0060
<b>Total Energy Charge</b>	<b>\$0.128</b>	<b>\$0.1035</b>

## COMMERCIAL SERVICE (CS)

Availability Charge	Old	New
Three Phase	\$50.00	<b>\$185.00</b>

  

Demand Charge	Per kW	Per kW
Distribution	\$8.50	\$4.32
Purchased Power		\$6.37
Current WPCA	\$1.50	\$0.00
<b>Total Demand Charge</b>	<b>\$10.00</b>	<b>\$10.69</b>

  

Energy Charge	Per kWh	Per kWh
Purchased Power	\$0.02803	\$0.05749
Current WPCA	\$0.04200	\$0.00600
<b>Total Energy Charge</b>	<b>\$0.07003</b>	<b>\$0.06349</b>

## LARGE COMMERCIAL SERVICE (LCS)

Availability Charge	Old	New
Three Phase	\$200.00	<b>\$385.00</b>

  

Demand Charge	Per kW	Per kW
Distribution	\$9.00	\$7.23
Purchased Power		\$6.79
Current WPCA	\$1.50	\$0.00
<b>Total Demand Charge</b>	<b>\$10.50</b>	<b>\$14.02</b>

  

Energy Charge	Per kWh	Per kWh
Purchased Power	\$0.02859	\$0.05749
Current WPCA	\$0.04200	\$0.00600
<b>Total Energy Charge</b>	<b>\$0.07059</b>	<b>\$0.06349</b>

## AREA LIGHTING SERVICE (ALS)

Area Lighting	Old	New
100 Watt	\$7.50	\$8.00
175 Watt	\$7.50	\$8.00
250 Watt	\$15.00	\$15.50
400 Watt	\$17.00	\$17.50

## EXAMPLES

### RESIDENTIAL CUSTOMER TOTAL BILL

Find your monthly usage in the chart below to see the change in the total monthly bill. Your monthly usage for the current month can be found on your last Mid-South Synergy bill. **The average Mid-South Synergy residential customer uses approximately 1,500 kWh per month.**

kWh Used	Old Total Bill	New Total Bill	Difference
0	\$ 20.00	\$ 26.95	\$ 6.95
500	66.25	80.40	14.15
1000	122.50	133.85	11.35
<b>1500</b>	<b>178.75</b>	<b>187.30</b>	<b>8.55</b>
2000	235.00	240.75	5.75
2500	291.25	294.20	2.95

## NEW RATE CHANGE

### FEE SCHEDULE

Fee	Old	NEW
Membership (non-refundable)	\$75.00	<b>\$75.00</b>
Account	125.00	<b>125.00</b>
Establishment	25.00	<b>25.00</b>
Trip	8am – 3pm	<b>40.00</b>
	After 3pm	<b>80.00</b>
Survey	125.00	<b>200.00</b>
Reconnection	8am – 7pm	<b>75.00</b>
	After 7pm	<b>100.00</b>
Reconnection after 60 days	Residential	<b>325.00</b>
	Small Commercial	<b>500.00</b>
	Commercial	<b>2,220.00</b>
	Large Commercial	<b>4,620.00</b>
Late Penalty	Residential	<b>Lesser of 5% or \$5.00</b>
	Non-Residential	<b>5%</b>
Returned Check Denied Bank Draft Denied Credit Card	30.00	<b>30.00</b>
Meter Test	40.00	<b>40.00</b>
Meter Tampering	\$300 + kWh Used	<b>\$300 + kWh Used</b>
Easement Release	150.00	<b>225.00</b>

## FACTS SUPPORTING RATE CHANGE

According to the federal government’s Bureau of Statistics, the cost of living index has gone up an average of 2.7 percent each year since 2002.

The cost of equipment, labor, and material required to provide you with reliable electric service has increased significantly over the last decade. Basic equipment, such as poles, wire, and transformers, over 15% since 2002; fuel costs to operate our equipment, over 100% in that same time. These and other factors have caused the cost of operating an electric system to increase. In spite of these large increases, the Cooperative’s distribution rates for operating the electric system have remained the same since February, 2002.

Among the most important values behind the whole concept of a co-op is a sense of dependability, openness and fairness – everyone paying their fair share, having the real facts, and being confident that we have the resources to protect your investment and service your needs for the future. Like any business, we need to make sure our prices match our costs so our rates are fair, based on facts, and set at a level that will allow us to provide reliable service to everyone.

Although we have held out as long as we could, these cost increases have resulted in a need to increase our rates. Additionally, because we needed to know our true costs, the Cooperative hired a utility service consulting firm with over 30 years of experience to help us determine what it actually costs to serve each customer — whether residential, small commercial, commercial, large commercial or outdoor lighting. While everyone needs the basic power poles and lines for electric service, other requirements vary, depending on the type of customer. The firm conducted a cost-of-service study that took all of Mid-South Synergy’s actual expenses for the year 2006 and allocated them to the various classes of customers based upon such things as usage patterns, equipment necessary to provide service, and types of service. The study then looked at our prices for each of these types of customers and types of services to see if they matched.

In most cases they did not. The differences had to do with rate design -- the individual components of your monthly bill that represent things like the cost of facilities that everyone shares, the costs of facilities that serve you directly, and the actual cost of the energy you use. Here is what the study showed about each type of service:

Type of Service	What is it?	New Cost-Based Charges	Old Charges
Availability charge <i>(Increasing)</i>	Your share of cost for poles, wires, transformers, service drop and meters that give you access to the electric grid	<b>\$26.95</b> per residential customer per month	<b>\$20</b> minimum per residential customer per month
Energy charge <i>(Decreasing)</i>	Cost of buying electricity you use and delivering it to your residence over the transmission system and our distribution network	<b>\$0.1069</b> per kilowatt-hour (0.0194 Dist. Chrg.; 0.0815 Purch. Pwr.; WPCA.006)	<b>\$0.1125</b> per kilowatt-hour

Currently, much of the cost of facilities and equipment to provide customer access to the electric grid is recovered through the kilowatt hour charge. The availability charge is a charge for a portion of the Cooperative’s physical facilities such as poles, wire, transformers, service drops, and meters, and recovers the cost of the minimum amount of equipment that is necessary to provide a customer with access to the electric grid.

Based on the cost of service study, our current availability charge does not come close to covering the fixed cost of providing the minimum amount of equipment necessary for a customer to access the electric grid. Everyone shares the costs of our facilities because the system operates as a whole, and providing reliable service to everyone is what a cooperative is all about.

And density of service affects those charges. As a rural electric cooperative, we cannot spread our fixed costs over as many customers as some of our neighboring utilities. The following chart shows why it costs us more per customer to make electric service available than some utilities nearby, using the cost of distribution line (the wires that go down your street and eventually to your home or business) as an example:

Utility	Cost/mile of distribution cable	Customers/mile	Cost/customer
CenterPoint Energy	\$20,000	46	\$435
Mid-South Synergy	\$20,000	8	\$2,500

In our more rural area, we simply do not have as many customers who can share the costs of these facilities, but they are needed to provide everyone with the same quality of service.

Why does it matter to you that our rates for facilities and energy match the actual costs? Why is it important to separate them? It is simply an issue of fairness. If the availability charge is too low and energy rates are too high, customers with low usage are really not paying their fair share of the Cooperative’s fixed costs for the facilities that are needed to provide service to them. These charges need to be changed to create a rate design that is fairer to all customers, with all customers paying their fair share of the facilities used to serve them.

As a non-profit cooperative with a commitment to offer the same quality of service and fair rates to everyone, we have revised our rate structure to reflect these facts. This has resulted in increasing the availability charge and the demand charge for customers that pay a demand charge, but also reducing the energy charge per kilowatt-hour of electric usage. Customers that were paying less than their fair share of the physical facilities of the Cooperative before the Proposed Rate Change becomes effective will pay a charge that matches the costs that they cause the Cooperative to incur. Similarly, customers that were paying more than their fair share of the physical facilities of the Cooperative before the rate change will no longer be subsidizing the costs caused by other customers.

No rate change is easy. But this change in rate structure also has the benefit of making your utility costs more predictable. Before the rate change, when the energy charge was higher, if the weather became extremely hot or cold, your bill would swing upward pretty sharply. Now, while you may be one of these paying proportionately more each month for your facilities in the customer availability charge, you will not see as big a swing in your energy charge.

We value you as a co-operative member and hope this information is helpful to you in understanding what is needed to ensure you have reliable, affordable and fairly priced service. The Cooperative appreciates your business, and appreciates the opportunity to serve you.

Please remember, we are “People committed to people, people committed to service.”