



BREAKING DOWN YOUR ELECTRIC BILL

Here is a simple breakdown of the various lines that comprise your monthly MEC electric bill.

MONTHLY SERVICE CHARGE

This is a fixed monthly fee designed to represent everything that must be in place 24/7 for you to access service, regardless of how much or how little actual energy you use. It includes things like substations, poles and wire, labor, vehicles, offices, and annual capital investments to improve reliability and service.

Based on our 2016 Cost of Service Study, the residential service charge should be \$39/month. In 2017 the Board of Directors approved a plan to increase the charge by \$5.25/year over four years to reach \$39/month by 2020.

DISTRIBUTION CHARGE

We don't recover all fixed costs in the monthly service charge, so we roll the remainder of those costs into the distribution charge. This charge is variable and is based on your monthly consumption.

ENERGY CHARGE

The Energy Charge represents the cost of generating and transmitting the power you used during that billing cycle based on established rates. We do not generate electricity. The energy comes into our substations over transmission lines, and we distribute from there. We collect the money as part of your monthly bill and pay that back to our power supply partner.

POWER COST ADJUSTMENT

This is a variable charge that represents the difference between what we budget for power supply and what we actually pay. Currently, you receive a credit of \$.003113/kWh.

MI ENERGY OPTIMIZATION

Energy Optimization is Michigan's mandated charge for energy efficiency education, programs and services. It is a variable charge, designed to help achieve greater energy efficiency.

MI LOW INCOME ENERGY FUND

This was established by the Michigan legislature in 2013 as a long-term solution to assist low-income, at-risk residents with their utility bills. We collect the funds, then turn them over to be managed by the State Department of Human Services. This fixed monthly fee is capped at \$1.

Detail of Charges table with columns for charge name, rate, and amount. Includes items like Monthly Service Charge, Distribution Charge, Energy Charge, Power Cost Adjustment, MI Energy Optimization, State Tax, MI Low Income Energy Fund, and Service Subtotal. Total Current Balance Due is 149.14.

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JOHN DOE
12345 RURAL RD
CASSOPOLIS MI 49031

Account Information table: Account Number 000000, Statement Read Dates 07/01/2019 - 07/01/2019, Payment Due 07/29/19

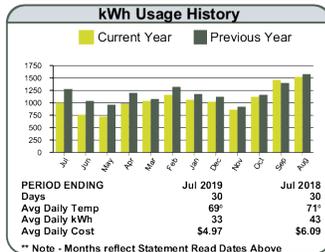
Billing Summary table: Previous Balance \$118.50, Adjustments \$0.00, Payments -\$118.50, Balance Forward \$0.00, Current Balance Due 07/29/2019 \$149.14, Total Amount Due \$149.14

MPSC estimates EO will create average residential savings of \$2.2 per month

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Table with columns: Service Address, Rate, Meter Number, Days, Readings Previous, Readings Present, Multiplier, kWh Usage, Reading. Values: 12345 RURAL RD, RES-M, 0000000, 30, 9934, 9984, 20, 1000, Actual



Detail of Charges table (repeated): Monthly Service Charge 33.75, Distribution Charge 33.63, Energy Charge 76.26, Power Cost Adjustment -3.11, MI Energy Optimization 1.98, State Tax 5.70, MI Low Income Energy Fund 0.93, Service Subtotal 149.14. Current Balance Due 149.14, Paid After 154.14.