



### YOUR ELECTRIC BILL CHARGES

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.

|                                  |                     |                 |
|----------------------------------|---------------------|-----------------|
| Monthly Service Charge           |                     | \$45.00         |
| Distribution Charge              | 1,088 kWh @ 0.03975 | \$43.25         |
| Energy Charge                    | 1,088 kWh @ 0.0785  | \$85.41         |
| Power Cost Adjustment            | 1,088 kWh @ 0.00833 | \$9.06          |
| State Tax                        |                     | \$7.31          |
| MI Low Income Energy Fund        |                     | \$0.87          |
| <b>Electric Service Subtotal</b> |                     | <b>\$190.90</b> |

#### 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 electricity use.

The detail of charges can be found on page 2 of your bill as shown below.

#### 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 the power to your home. We collect the money as part of your monthly bill and pay that back to our power supply partner.



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#### POWER COST ADJUSTMENT

This variable charge that represents the difference between what we budget for power supply and what we actually pay.



#### OPTIONAL PROGRAMS OR SERVICES

If you participate in our community solar, any load management program, net metering, or have a security light, your charges or credits appear above the state tax line.

#### 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.