

2024 Facility Charge & Outdoor Lighting Increase Q & A

Q – 1. What is the monthly facility charge? The facility charge covers approximately half of the distribution costs associated with providing electricity to homes and businesses including equipment, materials, labor, and operating costs necessary to serve each member in Palmetto Electric’s service territory, regardless of an individual member’s electric consumption. Distribution costs account for approximately one-third of the overall bill.

Q – 2. Why are the monthly facility and outdoor lighting charges changing? The facilities and outdoor lighting charges are changing to more fairly recover the costs of delivering reliable electricity to Palmetto Electric’s members. Like many other industries, in recent years, Palmetto Electric has experienced supply chain issues and steep cost increases for some of our necessary equipment needed to maintain the local system, including power lines, substations and outdoor lighting.

Q – 3. Why increase the facility charge now? Due to supply chain issues and rising costs of materials and equipment over the last few years, these changes are necessary to continue providing dependable and reliable power to our members. We have been fortunate at Palmetto Electric to not have any rate increases over the past ten years. Since 2008, any increases to the facility charge have been made in phases. We increased from \$8 to \$12 in 2008, to \$16 in 2012, to \$17 in 2014, and now to a daily rate of \$0.90/day, averaging \$27/month in 2024.

Q – 4. Which accounts will this impact? Beginning in March 2024, the facility charge will increase for residential and small commercial accounts. Outdoor lighting charges will increase for any account with outdoor lighting, beginning in March 2024.

Q – 5. What will the new charge be? When will this take place? Beginning with March 2024 bills, the facility charge for residential and small commercial accounts will increase from a set monthly charge of \$17 (averaging \$0.56 per day), to a daily charge of \$0.90 per day, averaging \$27 per month. The monthly outdoor lighting charge for residential and commercial accounts who participate in the outdoor lighting program will also increase. These changes will amount to an approximate 7 percent increase for the average member.

Q – 6. What can our members do to save on energy costs? We are keenly aware of the burden that rising charges may place on our members. We want to help you minimize the impact of these rising costs by providing energy-saving tips on how you can be as efficient as possible. The largest component of your monthly bill is the cost of energy, which is based on how much kWh is consumed and accounts for approximately two-thirds of the overall bill. Energy consumption is an area that members have some control over, so we have provided several tools online at palmetto.coop to help you manage and reduce energy use.

