

Electric News

Published for Members of the Little Ocmulgee EMC

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MANAGER'S *Comments*

Lewis Sheffield, Little Ocmulgee EMC General Manager



Managing Rising Costs Within the Co-op

Little Ocmulgee EMC takes pride in providing its members with affordable, reliable and safe electric service.

We spend many hours throughout the year carefully planning all aspects of our operations. We must plan for growth and system improvements, and forecast the amount of power we will need to serve our members. We calculate the cost of power and the revenue required to pay for it. We must budget for necessary purchases and expenses. All these numbers are used to formulate our annual budget which we use as our guide throughout the year. Careful thought goes into all of this to keep the cost to our members as low as possible.

Just as you have seen substantial cost increases on everyday purchases for you and your family, we have as well. Over the last few years, we have faced significant challenges due to rising costs associated with building, operating and maintaining our distribution system. As you will see in the graphics on pages 20B and 20C, just the cost of materials has increased substantially, and



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some more than 100% in the last four years.

From rising material costs and fuel price increases to regulatory changes, the economic pressures on

our cooperative are intensifying. Through all of this, we have worked diligently to control cost and be good stewards of your resources.

In an effort to be good stewards and maintain a sound financial position for your cooperative, we are currently working to conduct a Cost of Service and Rate Study. This was done to determine future revenue requirements needed to continue providing members with the service they deserve and expect. We are working through the results of this study now to determine what steps the cooperative must take.

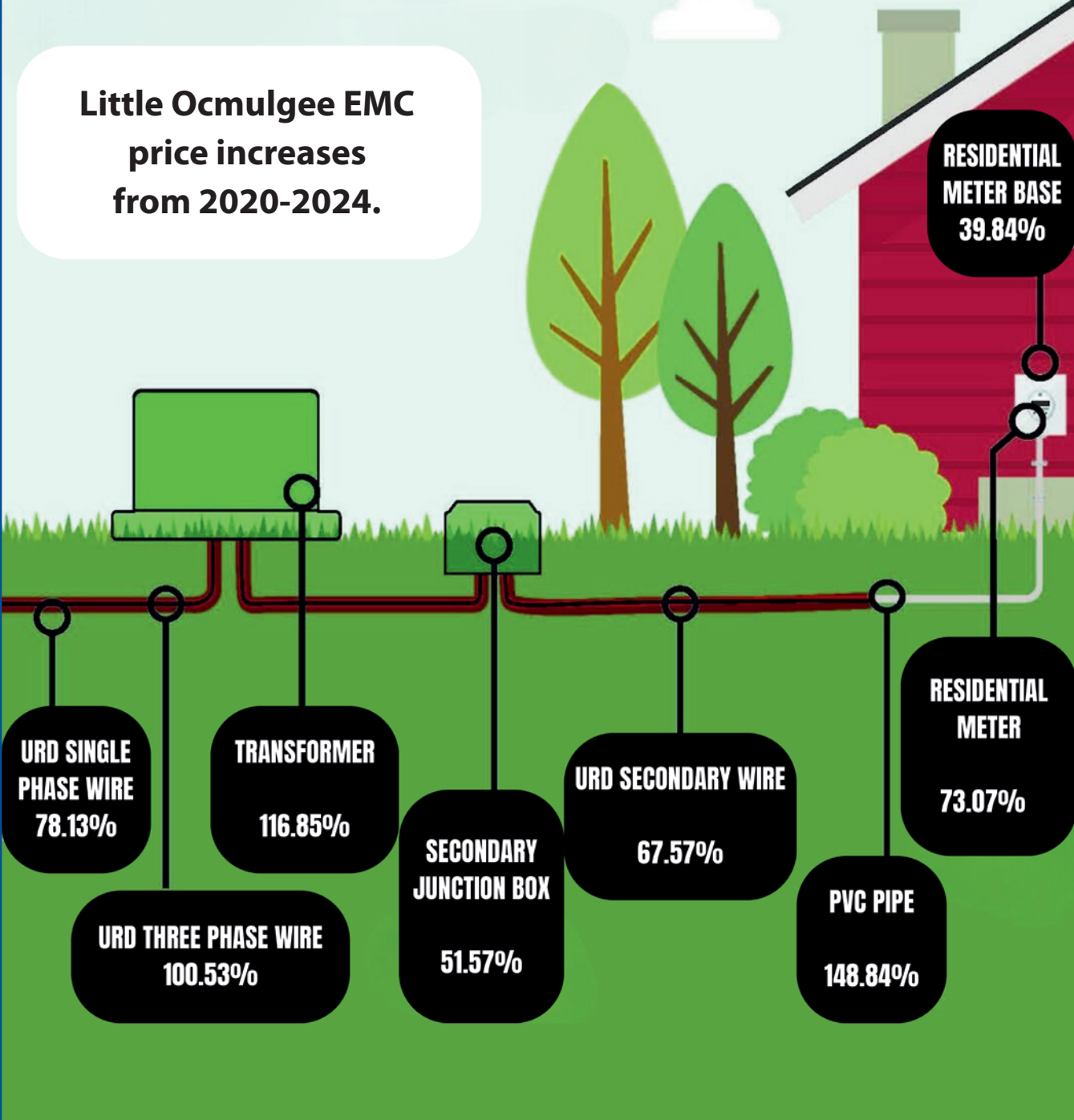
We will keep you updated over the next few months on the results of the Cost of Service and Rate Study. We appreciate your patience and understanding as we work through these challenging times.

I assure each of you that we will do everything we can to continue providing you with quality service, while also addressing rising costs, and regulatory and environmental challenges.

Underground Price Changes

Breaking Down the Rising Cost for Your Electric Cooperative

Little Ocmulgee EMC
price increases
from 2020-2024.



Overhead Price Changes

PRIMARY WIRE

95%

CROSSARM

59.40%

LIGHTNING ARRESTOR

97.65%

SECONDARY WIRE

64.60%

YARD LIGHT: 52.34%

35 ft YL POLE: 63.82%

#6 DUPLEX WIRE: 39.47%

40 ft POLE: 62.50%

45 ft POLE: 64.60%

CUTOUT

55.40%

POLE HARDWARE

132.19%

TRANSFORMER

92.51%

**Little Ocmulgee EMC
price increases
from 2020-2024.**

GROUND WIRE

67.26%

GUY WIRE

88.46%

Notice of Patronage Capital Assignment for 2024

Because Little Ocmulgee EMC is a not-for-profit cooperative, revenue collected in excess of expenses is eventually returned to the co-op's member-owners, our electric customers. After each year is completed, margins are assigned to members' accounts so they can be paid later as capital credits.

Assigned margins are retained for several years to be used, in place of borrowed money, as a source of funding for the construction of new lines and other utility plant expenses. This helps the cooperative keep the cost of providing service as low as possible. When financial conditions are favorable, the margins are returned as capital credits to members.

The assignment is made by applying the percentage of the cooperative's margins (revenues in excess of expenses) to each member's total billing for the year (excluding sales tax). In addition, margins are assigned to Little Ocmulgee EMC by other organizations with which it is associated, such as Cooperative Finance Corp., CoBank, Gresco, Federated Rural Electric Insurance Exchange and Southeastern Data Corp. The percentage assigned from these associated organizations is assigned to each member each year in the same manner as above.

2024 total operating margins +				
2024 total associated organizations	=	\$ 566,321	=	0.022189502
2024 total sales of electric energy		\$ 25,522,025		

Little Ocmulgee Electric Membership Cooperative 2024 Patronage Capital Assignment Factors

	Allocation Factor	If your total bills were: (excluding sales tax)		
		\$500	\$1,000	\$2,000
2024 patronage capital assigned for Little Ocmulgee EMC	0.009116986	\$ 4.56	\$ 9.12	\$ 18.23
2024 patronage capital assigned from associated organizations	0.013072517	\$ 6.54	\$ 13.07	\$ 26.15
2024 total patronage capital assigned	0.022189502	\$ 11.09	\$ 22.19	\$ 44.38

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