



CHILlicothe MUNICIPAL UTILITIES

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FOR IMMEDIATE RELEASE:

CMU Customer Rate Adjustments Go Into Effect on October Bills

In early 2017, CMU launched a multi-step timeline to bring greater balance and fairness to its rate design. Over that timeline, rates will be periodically adjusted so the utility's fixed costs – everything it takes to run the business and take care of its electrical system, including infrastructure and those who service and maintain it – will be recovered through the monthly customer charge. The kilowatt-hour (kWH) rate, or energy charge, is based on the cost of energy and will change only when CMU's energy costs change.

Now and until the redesign is fully implemented, the costs of caring for CMU's business operations and the system that delivers electricity to residents of Chillicothe are recovered through both the customer charge and the kWH charge. Once the redesign timeline is concluded, more of the energy and transmission service costs will be recovered through the energy charges and a larger portion of the system's infrastructure-related costs will be recovered through the customer charge.

On average this adjustment will not have an effect on the size of most residents' monthly electric bills. For each step along the timeline when an adjustment is made to the customer charge, the kWH rate will be proportionately adjusted, as well, resulting in a revenue-neutral effect for CMU. However, individual ratepayers will be affected differently depending on how much electricity they use. Some will see slightly lower overall electric costs, others will see slightly higher, and many will see no change. The average residential account uses 900 kWH per month and will see little or no change, less than two dollars either way. Residents using less electricity than the average will see a slight monthly increase, and those using more than the average will see a decrease monthly. The main objective is for all residents to pay their fair share for the benefits of being connected to their local, community-owned utility and, in turn, ensure stable rates, and allow CMU to continue providing the best service at the lowest possible cost.

For more information regarding the rate redesign, go to CMU's website at www.cmuchillicothe.com.