

Gas Prices Skyrocket Causing Spikes



MANY OF YOU MAY have noticed a recent spike in your electric bill and asked yourself, “what’s the cause” – the most significant contributor is inflation. Cost-push inflation occurs when overall prices increase due to increases in fuel, materials, wages, etc. This typically happens when supply doesn’t meet demand, and this is what we are seeing happen to natural gas prices. The price of natural gas has more than doubled this year and currently sits at the highest level in a decade. It is expected to continue to rise, unfortunately resulting in larger electric bills for consumers. This increase is mainly due to tight supplies and a worldwide increase in demand for natural gas. This demand pull happens when production can’t keep up. These factors result in overall higher prices that get passed onto the consumers.

At HILCO EC, we have not increased our rates. The increases you are experiencing are either due to higher usage or a pass-through fuel cost that is part of your bill. The fuel adder, called Power Cost Recovery Factor or “PCRF,” is directly related to the cost of the generation of power. HILCO EC is an electric distribution provider, so this fuel charge is just passed through and is not revenue to HILCO.

Is assistance available:

As your provider, we understand, and as a convenience to our members, HILCO Electric Cooperative has programs in place that could help you have more control over your usage. One option is Levelized Billing. This program allows you to pay a monthly electric bill equal to the average of your previous twelve month’s actual bills. This payment schedule will reduce the variations in payments between high and low usage months. Each budget statement will provide actual energy consumption information and state both the budget billing payment due and the actual current charges. It trues up twice a year in March and again in September. To be eligible for Level-

ized Billing, you must be a residential HILCO EC member, have service at the address for the past twelve months, your account must be paid up-to-date, and have no more than one late payment in the past twelve months.

Another way to have more control over your usage and bills is by participating in our Prepaid Billing program. This program allows you to schedule your own payments toward your electric bill. You are billed each day for your previous day’s usage, and the resulting amount is deducted from the credit balance on your account. This will allow you to monitor your usage and related cost more closely throughout the month. To be eligible for Prepaid Billing, you must have your current and past-due billing paid, have all unbilled miscellaneous charges paid, pay for all unbilled usage as of the date you are added to the program, have an active email address, or purchase an in-home display, and establish your account with a minimum credit of \$100. If you are interested in either of these programs, please contact our office for more information.

How can I help?

HILCO EC is encouraging members to mitigate the effects of higher winter rates by conserving and participating in HEC’s Energy Efficiency programs. Energy efficiency improvements can help members save energy and money year-round. Making small changes like adjusting your thermostats, sealing gaps around windows and doors, shutting off appliances when not in use, and scheduling an annual HVAC tune-up can make a difference. For more energy efficiency tips, visit hilco.coop.

As a not-for-profit electric cooperative, we do not have the same cost recovery mechanisms available to us that a for-profit investor-owned utility has, so we are currently pursuing every path available to us to help minimize the impact of this pass-through. As always, our mission is to provide our members with safe, reliable power at the lowest possible cost.