



UNITED ELECTRIC COOPERATIVE

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UNITED IS PUTTING THE POWER IN YOUR HANDS

The membership of United Electric Cooperative has spoken, and your board of directors and management team at United has listened. United Electric has been gathering information from our members over the past few years regarding more control over their electric usage and the amount they pay. The time has come to release more information to our members regarding demand rates. You are receiving this letter to understand better what demand rates can do for you and your families' energy usage. There is no action necessary on your part unless you want to save.

The cost to United from its wholesale provider, NW Electric Power Cooperative, is substantially more expensive during on-peak periods. In United's new rate design, members will have the opportunity or choice to switch usage to times when the system is not at its peak load. By shifting these loads to off-peak periods, you, the member, could save on energy costs for yourself and your cooperative.

It is important to know:

1. Each member's bill will be based on their load profile.
2. United will not collect any additional revenue overall and most likely collect less revenue as members take advantage of the savings during off-peak periods.
3. The On-Peak periods are 6 to 8 am and 4 to 8 pm. All other hours are Off-Peak or ON-SALE 75% of the time.
4. This rate puts the power in your hands to control the cost of your electric service.
5. The first step in this rate change will be implemented on **June 1, 2023**.

Our mission is to Enhance the rural way of life through United. This new rate design will enhance our member's rural way of life by giving them more control over what they pay for electricity. You can put the power in your hands to save on your monthly bill by changing your usage pattern. For an estimate on how this will impact your bill, please get in touch with our office at 800-748-1488 or email demandrate@ueci.coop or contact@ueci.coop.

Sincerely,

UNITED ELECTRIC COOPERATIVE


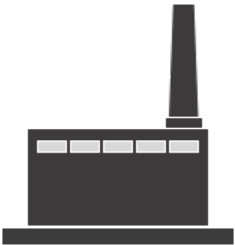

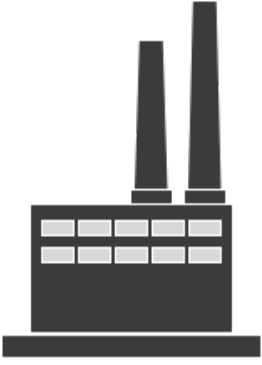
James Bagley
Chief Executive Officer



Off-Peak Electricity Pricing: Savings When They Matter

Off-Peak and On-Peak electricity pricing gives a valuable opportunity to take control of energy use and electricity bills. Time based decisions are voluntary to Take Control & Save while electricity is on sale 75% of each day. The program enables people to choose when they power up appliances based on electricity prices and make decisions that can both save money and reduce the use of natural gas/coal. United Electric currently has a two-part flat rate structure, meaning customers pay a set price per kilowatt throughout the day. This structure will continue through May 2023.

Similar to rush hour traffic, the power grid experiences times of extreme stress and high demand, prompting electric utilities to turn on expensive, fossil fuel “peaking” power plants to meet the Member’s energy needs. This makes the true price of electricity vary throughout the day. Without knowing the true price of electricity paid by your not-for-profit cooperative, Members do not have the basic information they need to conserve power (and, thus, lower bills) when it matters most.

<p>A 100 watt lamp that runs for 10 hours consumes 1,000 watts of electricity.</p>  <p>Requires LESS generation</p> 	<p>Ten 100 watt lamps that run for 1 hour consume 1,000 watts of electricity.</p>  <p>Requires MORE generation</p> 
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In contrast to flat rates, time based rates give customers a view of how much electricity costs throughout the day, so people can plan ahead. High-traffic energy times occur predictably in the early morning 6 to 8 am and late afternoon 4 to 8 pm when everyone is running air conditioners, cooking, watching TV, and doing laundry. Well-designed On-Peak and Off-Peak rates empower people to lower their monthly electricity bills by simply using larger appliances, like a clothes dryer or water heater at lower-priced (off-peak) times.

At United Electric Cooperative we chose a time based rate because as a not-for-profit cooperative we wanted a cost based program that would provide for the future reliability of the cooperative while putting the power in your hands to save.

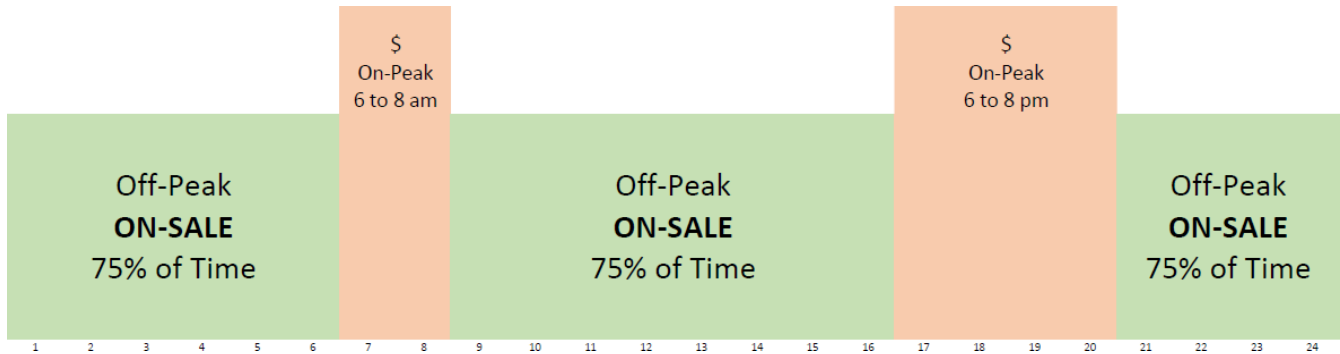
Benefits of Off-Peak and On-Peak Electricity Pricing

1. Lower Electricity Bills

Another Member option to save by paying more attention to timing of energy use.

2. Freedom of Choice

As United Electric expands time based rates in coming years, customers will have the option to use power as they always have or stagger/shift electric use more to off-peak periods, effectively choosing how much they want to pay for electricity.



3. Proper Price Signal: Examples of Options to Take Control & Save

- A. For over 60% of members they may choose to do nothing to pay the same or save.
- B. To SAVE all members may **STAGGER** loads within Off-Peak or even On-Peak hours.
- C. To save MORE all members may **SHIFT** loads to Off-Peak hours.

(2024 or later savings and approximately 20% of this savings begins June 1, 2023

If these appliances are used for an hour ONLY Off-Peak there is savings of \$6/kW.)

Appliance	Demand Use/hr	Save/month
Water Heater (Standard)	2 kW	\$12
Programmable Thermostat	2 kW	\$12
Clothes Dryer	5 kW	\$30
Clothes Washer	1/2 kW	\$ 3
Dishwasher (Dry Cycle)	1 kW	\$ 6
Heater (Auto Engine, winter)	1 kW	\$ 6
Heater (Portable)	1.5 kW	\$ 9
Iron	1 kW	\$ 6
Jacuzzi (Maintain Temperature)	1.5 kW	\$ 9
Motor (1 HP)	1 kW	\$ 6
Power Tools (Circular Saw)	1.8 kW	\$ 11
Range (Oven)	2.7 kW	\$16
Vacuum Cleaner	1.5 kW	\$ 9

The next step is for United Electric to provide robust member education about how to save and we would welcome the opportunity to come speak with a community group you belong to. With Members in the driver's seat, demand rates will be another shining example of the United Electric's commitment to innovation and community. **For more information, please visit: www.ueci.coop.**