



A Touchstone Energy® Cooperative 

## RESIDENTIAL RATE COMPONENTS FOR CONSUMERS ENERGY

**Service Charge:** The 'Service Charge' is a fixed price charged for building Consumers Energy's basic electric system of wires, poles, transformers, etc., to supply and meter electricity to the cooperative's members. It is paid monthly and does not change or vary with the amount of electricity used.

**Service Charge Fee:** \$30.50 per month for residential service with less than a 25 kVa transformer.

**Energy Charge:** The 'Energy Charge' is the price charged for the generation of electricity that includes the fixed costs of power plants, operation and maintenance, and the transmission of electricity from its source to Consumers Energy's distribution substations (volumetric). Consumers Energy has four price schedule options of power for its members:

- 100% Traditional (coal, nuclear, natural gas) - Price Schedule IOA
- 90% Traditional (coal, nuclear, natural gas) & 10% Renewable (wind, solar, etc.) - Price Schedule 10B
- 50% Traditional (coal, nuclear, natural gas) & 50% Renewable (wind, solar, etc.) - Price Schedule IOC
- 100% Renewable (wind, solar, etc.) - Price Schedule 10D

**Energy Charge Fee for 100% Traditional:** 6.8 cents per kWh for all kWhs used in a month. This fee does not vary by time of day or the season, even though the costs fluctuate each hour. Consumers Energy averages the total costs for the year and has developed a flat price to cover the costs annually.

**Purchased Power Adjustment (PPA):** Consumers Energy purchases its power from CIPCO, a cooperative that generates and transmits power to 12 rural electric cooperatives and one municipal electric cooperative in the State of Iowa. The power purchased from CIPCO fluctuates each month and the 'Purchased Power Adjustment' is the price charged (that is adjusted up or down in a particular month) to reflect Consumers Energy's monthly cost of power compared to the forecasted cost of power. In a given month, if Consumers Energy's power costs are less, a credit is issued to its members; if the power costs are more, those fees are charged to its members as the Purchased Power Adjustment (PPA) fee.

**Distribution Charge:** The 'Distribution Charge' is the price charged to deliver electricity from the cooperative's substation to the member's meter. It includes the costs associated with operation and maintenance, administration, and upgrades to Consumers Energy's electric system for the purpose of maintaining and improving the reliability of power and meeting the electricity demands of the cooperative's members.

**Distribution Charge Fee:** 5.45 cents per kWh for all kWhs used in a month. This fee does not vary by time of day or the season.

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