

February 28, 2024

Richland Center Electric Utility
Monthly Billing Adjustments Occurring March through July

1. Why is a billing adjustment needed?

- Richland Center Electric Utility (RCEU) recently detected a reporting error impacting the utility's monthly bills to customers.
- The error caused RCEU to under-collect its power costs from customers.

2. Why did this problem occur?

- Data from a secondary customer meter on RCEU's system was inadvertently included in the calculation of the utility's total sales of energy to all customers, as measured in kilowatt-hours (kWh).
- The over reporting caused the utility's Power Cost Adjustment (PCA) to be spread across an inaccurately large number of kWh.
- As a result, RCEU's PCA costs were under-collected from all customers by a total of approximately \$417,000.

3. How will the billing adjustment be carried out?

- The under-collected amount will be recovered via the PCA clause (PCAC) on customers' monthly bills. Many have asked if this will be a separate line item shown on their bill and the answer is no. The amount is going to be in the Power Cost Adjustment line item.
- The recovery will occur over five months, beginning in March 2024 and ending in July 2024.
- The recovery will add approximately \$5.50 to the average residential customer's monthly bill in each of the five months.
- RCEU staff are available on request to provide commercial and industrial customers with an individualized projection of the impact on their bills.

4. Why must these costs be recovered from customers?

- Not-for-profit, municipally owned RCEU must fully and accurately recover its cost of doing business from those it serves.

5. We sincerely apologize for the inconvenience to RCEU customers.

- Billing accuracy and excellent service are priorities for RCEU.
- We have put in place additional checks to prevent this problem in the future.

6. What is the Power Cost Adjustment?

- The utility's PCA reflects monthly changes in RCEU's power costs, such as variations in the price of fuel for generating electricity, and variations in costs for bulk delivery of power to the community via high-voltage transmission lines.
- The utility passes these fluctuations through to customers via the PCAC on customers' monthly bills.
- Costs that are higher than the utility's rate anticipates are collected from customers as a PCAC charge.
- When costs that lower than the utility's rate anticipates, the savings flow back to customers as a PCAC "credit" (a negative PCAC charge).
- The PCAC is applied on a per-kWh basis.