

SWEC 2026 Rate Adjustment

Board of Directors approved the following rate change effective April 2026 billing:

- Availability Charge increasing from \$30 to \$32 per month
- Energy Charge increasing from \$0.095 to \$0.105 per kWh
- No increase to Prepaid Daily Charge, staying at \$1.40 per day
- No increase to Three Phase Demand Charge, staying at \$4.75 per KW
- No increase to Automatic/Outdoor Lights

In the U.S. Energy Information Administration's January 2026 report, the average residential kWh rate in Missouri was \$0.136 and in the United States was \$0.1731.

Why is SWEC increasing rates?

As a cooperative we operate on an at-cost, not-for-profit basis. Our rates are designed not to make a profit, but to cover the cost of serving our members.

Since our last rate adjustment in 2024, we have received multiple increases in costs from:

- Our power generation supplier primarily due to the need to build additional generation capacity with two natural gas power plants currently under construction.
 - *NOTE: There are no large data centers on Associated's system. Data centers have not caused the need for new generation and are not the cause for the rate increases.*
- Our regional transmission suppliers to maintain and upgrade the high voltage power lines which ensure a reliable supply of electricity to SWEC's system.
- Operating & maintenance costs to maintain SWEC's own system.

Why can't SWEC cut costs to avoid this rate increase?

- The largest portion of our expenses is the cost of the power we purchase from our power suppliers (about 60 percent of our budget). We have no direct control over this expense and have received increases from our power suppliers over consecutive years.
- When you remove purchase power costs, SWEC has one of the lowest operating expenses among cooperatives in the state and nation. Many costs are out of our direct control, such as material, equipment, insurance and taxes.
- SWEC has one of the lowest employees to meter ratios of any cooperative in the state and nation.

What is the availability charge?

The availability charge is a flat fee charged to all services to cover a portion of the costs to meet your expectation for reliable power available to you 24 hours a day regardless of when you need it or how much you use. Some of the costs covered by the availability charge are trucks, wire, transformers, power poles, labor, right of way maintenance, insurance, interest, and taxes.

Because all members expect electricity available 24 hours a day, the availability charge helps ensure everyone pays their share of costs that exist no matter how much energy a service uses.

Example: A storm breaks multiple poles serving a portion of our members. Those members are not billed directly for the cost of replacing the poles. Portions of those costs are recovered by the Availability Charge.

Why is SWEC's availability charge higher than other utilities?

Even with this increase, SWEC's availability charge is one of the lowest among Missouri's electric cooperatives.

A key factor in determining an availability charge is how many services per mile of line a utility has, also known as density. The more meters per mile of line, the more the costs of building and maintaining that mile of line are spread out among those connected to it. SWEC's density is about 8 meters per mile. For urban areas this density tends to be much higher (as much as 5X or more) than the rural areas SWEC serves. This higher density allows some utilities to have a lower availability charge.

When can we expect the next rate increase?

SWEC's last rate increase was in 2024. It is very difficult to provide an estimate of any rate increases in the future due to many factors. The largest single factor that would drive a future rate increase is the cost of power from our power suppliers. This cost makes up about 60 percent of our total budget. Our wholesale power supplier, Associated Electric Cooperative, consistently ranks as one of the lowest wholesale power providers in the nation.

Why didn't SWEC give more notice on the rate increase?

It is our goal to notify members as soon as possible when a rate increase is needed. During last year's annual meeting in September and again in the January 2026 Rural Missouri members were notified a rate increase would be needed, however, it was too early to know exactly how much it would be as SWEC had yet to receive final rate numbers from our power suppliers.

Does SWEC offer reduced or discounted rates for seniors/military/veterans?

As a not-for-profit cooperative, every member owns a portion of the cooperative and contributes equally to the capital of the cooperative. Our rate is based on covering our costs of providing 24-hour service to all our members, who are each billed equally.

Does SWEC offer a reduced or lower rate for low-income members?

SWEC's rate is the same for all income levels; however, we offer services such as prepaid billing, budget billing, energy audits, and rebates. We also work with local agencies such as MOCA, West Central, and OACAC to assist our members in getting energy assistance funding.