

Dear Member:
With the new year beginning, we would like to take this opportunity to inform you of a few upcoming changes.

First, on the opposite side of this notice, we have provided you with an example of our updated statements. This change brings a modern look and feel to our statements along with more information about charges and usage. The information boxes in this example provide short descriptions of the changes that are being made to the new invoice. The most significant change, which provides you with more detail, is the "New Charges" section under Billing Detail. This section shows a breakout of the different charges that comprise the rate structure of your account. Our previous statements showed these charges bundled into a single line item. The new statements will give you more transparency into these rate components.

A new line item in the rate, which is broken out on your invoice, is a Demand Charge. Demand is a measurement of the amount of energy used during your highest usage hour of the month. Using a residential account as an example, assume the account uses 10 kilowatt-hours(kWh) during the highest usage hour of the month. The demand for the account for that month is 10 kilowatts (kW).

You will also notice that Highline Electric Association (HEA) has modified rates for the residential, small commercial and irrigation rate classes. With a rate increase from our wholesale power supplier being implemented in 2024, along with inflation driving increasing costs over the last few years, a rate increase is necessary.

An independent Cost of Service study indicated we needed a $7 \%$ increase in the residential and irrigation rate classes. Highline's board voted to implement half of this increase in 2024 and plans to implement the balance of the increase in 2025. No one likes to see increases in their utility bills, but it is necessary for HEA to continue to meet our financial goals and supply you with safe and reliable energy.

We hope that the new invoice will assist you in better understanding your usage and charges. The new rates can be seen on our website at www.hea.coop. As always, please contact us at 970-854-2236 if you have any questions.

Thank you for being a member of Highline Electric Association.

