



Official Notice of Rate Increase

Dear Member:

On January 19th, the Linn County REC Board of Directors approved a rate increase along with a new rate design for the electric service you receive. As a result, the new rates will apply to your usage beginning on April 1st, 2023.

The new rate design will result in increased revenues of \$4,563,393 or 7%, which will help your cooperative keep up with rising infrastructure costs and continue investments to

keep our system safe, reliable, and sustainable. Based upon current forecasts, the rate increase is expected to provide sufficient revenue through 2026.

Although the effect of the increase on your bill will vary depending upon the type, the timing, and extent of usage, the average monthly increase per customer for the primary customer classes are:

Member Class	Current Monthly Rate	+ Increase	New Monthly Increase	Percentage Increase
Residential (01) New Rate Code - Res TOD Services (11)	\$120.11	\$11.39	\$131.50	9.48%
Residential All Electric (02) New Rate Code - Res All-Electric TOD Services (12)	\$122.69	\$12.82	\$135.51	10.45%
Small Commercial Single Phase (03) New Rate Code - Small Commercial TOD (13)	\$80.83	\$5.47	\$86.30	6.77%
Small Commercial Multi-Phase (03)	\$308.64	-\$5.76	\$302.88	-1.87%
Commercial & Industrial (04)	\$4,936.66	\$123.42	\$5,060.08	2.50%
Large Power (05)	\$44,538.07	\$1,113.44	\$45,651.51	2.50%
Residential Time of Day (11,12)	\$187.04	\$4.84	\$191.88	2.59%
Heat Plus (08)	\$51.26	\$4.87	\$56.13	9.50%
Small Commercial Single-Phase Time of Day (13)	\$328.46	\$61.27	\$389.73	18.65%
Small Commercial Multi-Phase Time of Day (13), New Rate Code - Small Commercial Multi-Phase (03)	\$369.73	\$64.05	\$433.77	17.32%
Commercial & Industrial Time of Day (14)	\$2,006.08	\$50.17	\$2,056.25	2.50%
Large General Service Time of Day, Interruptible (16)	\$18,631.42	\$465.78	\$19,097.21	2.50%

A written explanation of current rate schedules and charges is available without charge from our local business office. If you have any questions, please contact our business office at 319-377-1587 or toll free in Iowa at 1-800-332-5420.

Sincerely,

Gary Schropp
Board President

Terry Sullivan
Chief Executive Officer

Board Approves Rate Adjustment/Rate Design To Satisfy Lender Requirements

Since October of last year, member updates have been in our monthly newsletters and website regarding our cost of service and rate study. After our consultants reported the study results, the Linn County REC board of directors approved a one-time 7% rate increase. Every rate class will be affected differently. The new rates will be reflected on bill statements beginning May 2023.

This marks the end of the review process that began last fall when it was determined that Linn County REC would need to increase its rates to meet its lenders' financial requirements. As a result, the rate structure will change for all residential, small commercial single-phase, and small commercial multi-phase accounts. The redesign of the rate structure will better align with how power costs are incurred.

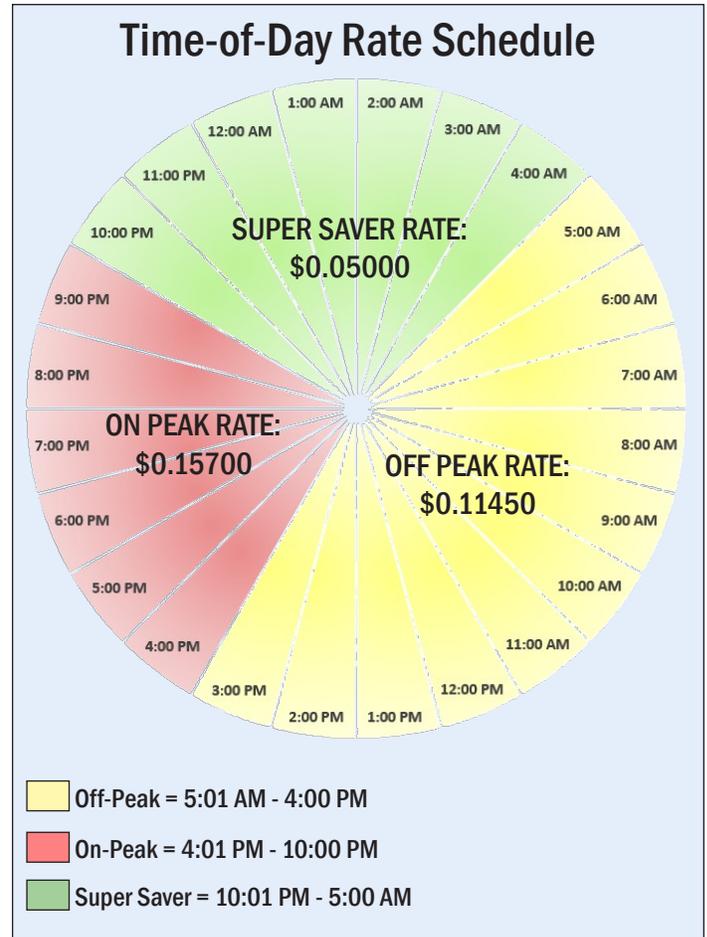
Why we are changing to time-of-day rates

Linn County REC is moving away from a flat rate structure for all residential and small commercial single phase accounts to a time-of-day rate to better align with how we are billed from our power supplier. This rate structure is based on the time of day you use electricity and our cost of supplying electricity to you during that time. Time-of-Day rate structure helps ensure each member will pay their fair share of the cost to operate the electric cooperative they own and gives individual members more control over their bill. If you use electricity when the total used by all Linn County REC members is lowest during the night (Super Saver), both your and the membership's costs will be lower. If you use electricity when the total used by all Linn County REC's members during high demand, both your and the membership's cost will be higher.

We realize some members can only partially shift their usage to the off-peak period—those who do can save money under this new rate. We also recognize that while the “average” member uses 32% of their energy during the on-peak period, 4 PM- 10 PM, every member does not. Some will use more, while others less. Those using more will see an increase in their bill, while those using less will see a decrease.

Facility charge change

The facility charge covers the costs for the availability of service at your residence, much like the service of other utilities (phone, cable, natural gas, etc.). It includes a



large portion of the cost for the lines, poles, meters, and maintenance required for safe and reliable service at your residence or small business. This is a standard electric utility charge.

The completed cost of service study came back with a recommended \$38.95 per month facility charge for residential accounts. Linn County REC's board of directors elected to implement a \$27.00 facility charge.

How will time-of-day rates affect you

The dollar amount saved will vary among members. The more electricity you shift to off-peak, the more money you might save. The chart on page 3 reflects the cost of common household items on each of the time-of-day rates. You will

continued on page 3...



Rate Adjustment Continued...

note the cost savings when you switch from the on-peak period to the off-peak and super-saver time periods.

Household Items (Est. monthly usage)	New Time-of-Day Rates		
	Off Peak \$0.11450	On Peak \$0.15700	Super Saver \$0.05000
ENERGY STAR® Clothes Dryer (18 loads /month)	\$4.74	\$6.50	\$2.07
Dishwasher (30 cycles /month)	\$4.12	\$5.65	\$1.80
Air Conditioner (3 ton; 14 SEER) (estimated 200 hours/cooling month)	\$58.85	\$80.70	\$25.70
Electric Resistance Water Heater (average usage of 300 kWh /mo)	\$34.92	\$47.89	\$15.25
Heat Pump Water Heater (average usage of 150 kWh /mo)	\$17.18	\$23.55	\$7.50
Electric Vehicle Level II Charging (840 miles of home charging/mo @ 2.75 kWh/mile)	\$34.97	\$47.96	\$15.27

How to save on the time-of-day rate

Time-of-day rates allow our members to lower their electricity costs without reducing the total amount of electricity used. You can save each month when you shift electric use to periods of lower demand (off-peak). Any energy saved during that peak period will translate into lower power costs for Linn County REC and lower monthly costs for our members.

Here are a few easy ways you can shift your energy use:

Postpone the use of major appliances. For example, move laundry loads to off-peak hours. Run the dishwasher right before bed, or use the delay cycle if your dishwasher has one.

- If you have a programmable thermostat, adjust the settings to sync up with off-peak rate periods.
- Unplug charging cables and small appliances when they're not in use. For larger items like TVs, try plugging them into a power strip that can be flipped on and off.
- If you have an electric vehicle, charge it overnight.
- Use smart switches/automatic timers to run appliances and equipment such as dehumidifiers, EV chargers, pool pumps, hot tubs, etc., during off-peak hours.

Taking these simple steps to use the time-of-day rate to your advantage can lead to savings on your monthly energy bill. Visit www.linncountyrec.com to learn more about peak energy times and our time-of-day rate structure.

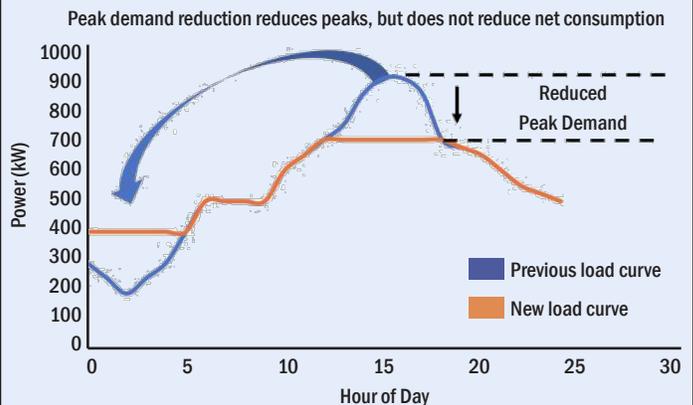
Small Commercial Three-Phase Rate Change

Linn County REC is moving away from a flat rate structure for small commercial multi-phase accounts to a demand and energy rate to better align with the additional demand requirements from multi-phase services. As a result, Linn County REC will lower the cost per kilowatt hour by 1.9¢ while adding a peak monthly demand charge of \$5 per kW. A demand charge encourages commercial members to lower their demand, which creates a better load factor (how efficiently you use electricity) that can reduce costs for you and the cooperative.

	OLD RATE	NEW RATE	
Cost	\$0.10743	\$0.08750	kWh
	-	\$5.00	kW
	12840	12840	kWh
	52	52	kW
kWh Cost	\$1,379.40	\$1,123.50	kWh
kW Cost	-	\$260.00	KW
TOTAL COST	\$1,379.40	\$1,383.50	

How to save on the demand and energy rate

Avoid running large equipment over the same 15-minute intervals if you can, which will control your demand. Again, members with good load factors will see savings from this, while members with poor load factors may see cost increases.



Visit our website to learn more about our demand and energy rate structure.



Know Your Electric Usage With SmartHub

View your energy usage from your desktop or mobile device with SmartHub! Through detailed graphs on our SmartHub app, you can monitor your daily consumption 24/7 and see how it is trending over time. You can even download your data into a spreadsheet file with the easy green button feature.

Download the SmartHub app for free! It's available in the Apple App Store or Google Play Marketplace.

Once downloaded, select Linn County REC as your electric provider. Next, enter your current username and password or create an account. To learn more about SmartHub, watch our introduction video at www.linncountyrec.com.

System Upgrades To Serve You Better

Our line crews work on improvements and upgrades to enhance system reliability and provide for future load growth every year. Linn County REC has a short and long-term work plan that addresses anticipated or existing development and replacing older lines, equipment, or substations. In 2023, Linn County REC will complete approximately \$6.35 million in system improvements.

Line Projects

Overhead line projects will occur in North Liberty, Oxford, and Ely. These scheduled projects are all line replacements due to age deterioration or to increase energy capacity.

Underground line replacements are scheduled for Marion, North Liberty, Tiffin, and Toddville. All line projects are in conjunction with current and future city, county, and Iowa DOT projects.

Substations

We will complete our new Corsair (CR airport) substation this spring. We will also increase capacity in substations near North Liberty, Marion, Fairfax, and the Lake McBride area. These upgrades will provide members with more reliable service.

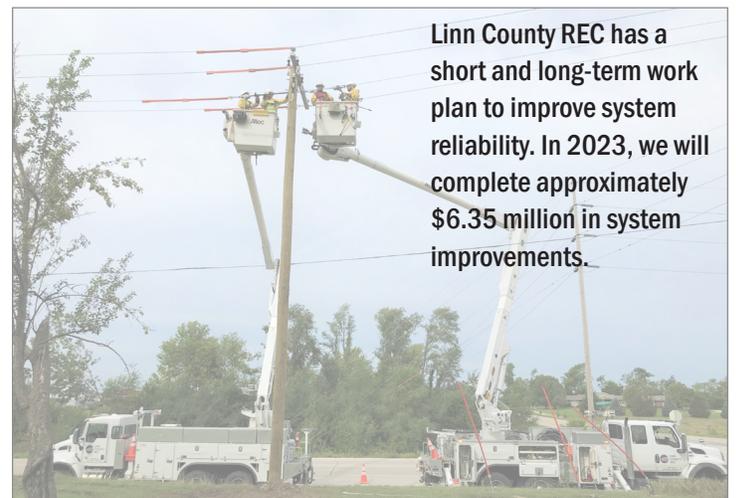
Linn County REC can complete most construction projects without loss of power. However, if it is necessary to interrupt power during construction, the cooperative makes every effort to contact members who will experience an outage.



Honey Mustard Chicken

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|---|-------------------------------------|
| 3/4 cup Dijon honey mustard salad dressing | |
| 1/3 cup chicken broth | 1/3 cup half-and-half cream |
| 1/4 teaspoon salt | 1/4 teaspoon pepper |
| 1/4 cup all-purpose flour | 4 chicken breast halves (6 oz each) |
| 3 tablespoons olive oil, divided | 1/2# fresh mushrooms, thinly sliced |
| 1 large sweet onion, halved and thinly sliced | |

In a small bowl, combine the first 5 ingredients; set aside. Place flour in a shallow bowl. Add chicken, a few pieces at a time, and toss to coat; shake off excess. In a large skillet, heat 2 tablespoons oil over medium-high heat. Brown chicken on both sides. Remove from pan. Add mushrooms and onion to same pan; cook and stir until tender, 6-8 minutes. Add dressing mixture, stirring to loosen browned bits from pan. Return chicken to pan; bring to a boil. Reduce heat; simmer, uncovered, until a thermometer inserted in chicken reads 165°, 12-15 minutes longer.



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