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Hours 8 a.m.–5 p.m.

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## Balancing act



Trust me. I get it.

For most folks electricity only crosses their mind when the power is out or when they receive their electric bill at the end of the month. At most electric utilities, the rates are simply the rates and you don't usually get an explanation about why they change from time to time. As a member-owned electric cooperative, however, we do things a little differently. When it comes time to make a change that will affect our members, we want to do everything we can to explain what the change is and what it will mean to you.

With that being said, Berkeley Electric Cooperative will be changing its rate structure beginning January 1st, 2017.

The first thing I want to emphasize is that this is not a rate hike. Although we will be adjusting parts of your bill and breaking out some of the charges as line items, this entire process is designed to be revenue neutral. We are not trying to collect one penny more than we are currently.

Traditionally, electric utilities recover the majority of their operating costs in their variable kilowatt-hour charges. Our recent "Cost of Service" study, along with changes in the electric distribution industry, indicate this process no longer addresses fixed costs in an equitable and proportionate way among our members. In other words, through no fault of their own, some members are not paying their fair share of the costs of providing and maintaining service to their meter. By restructuring our members' rates in the way described on the center pages of this edition, all of our members' power bills will now reflect the true cost of having service maintained and available at all times. This is regardless of whether the member uses 2,000 kilowatt-hours per month or none at all.

What you will be seeing beginning in January is the unbundling of the "Service Availability Charge" from the energy charge. A service availability charge covers the cost of operating an electric cooperative; repair and maintenance, substations, poles, meters, buildings and equipment, taxes, insurance and other expenses. In a nutshell, it's the cost of making electricity available to your home or business 24/7 - no matter your power needs.

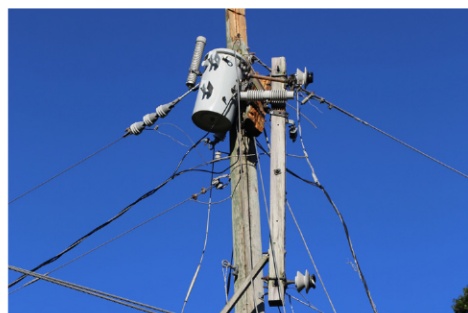
Your electric cooperative's decision making is influenced by the principle that all members should pay a reasonable, fair and balanced investment back into the cooperative they own. Relying solely on kilowatt-hour charges creates an uneven balance between the low- and high-usage members. It also impacts the ability of our cooperative to address the rising cost of wholesale power, the increasing costs of materials and the financial impact of evolving state and federal regulations. Whether or not a member uses a single kilowatt-hour of electricity in a month, Berkeley Electric is accountable for making safe and reliable energy available to over 92,000 meters and maintaining 5,400 miles of line. That is a lot of responsibility, and it is shared by both the cooperative and our members - who own the cooperative.

Once again, I would like to emphasize that this is not a rate hike. Through restructuring our rates and unbundling the service availability charge, we hope to address the challenge of fairness amongst all accounts - whether they are low- or high-usage. The good news is that most of our members will notice little or no change in their power costs. Some will even see a decrease in their monthly bill. There will be a larger impact felt amongst our low-use accounts and I urge all members to read the full explanation of these changes beginning on Page 20B of this month's edition. We are all in this together and together we are making a cooperative to be proud of.

Dwayne Cartwright, President & CEO



## MATTHEW 16



On Friday, October 7th, Berkeley Electric experienced its first outage related to Hurricane Matthew which made landfall in the co-op's service territory near McClellanville.



All Photos provided by BEC Staff



A total of 56,532 Berkeley Electric members lost power due to Hurricane Matthew. Over the course of the storm, cooperative crews restored 75,636 services and replaced 137 broken poles system wide. To put this in perspective, it normally takes an average of two hours to replace a broken pole. This many poles represents 274 man hours, or almost 11 ½ days of work at 24 hours a day. The last storm related outage was restored in the early morning hours of Friday, Oct. 14th. Crews were able to replace all poles, as well as complete all other necessary repairs, in seven days.



This was due in large part to the extensive preparations Berkeley Electric Cooperative made before the storm. This included bringing in an additional 257 crew members from 12 sister cooperatives across five states and specialized equipment to restore power in marshy and flood-prone areas.



This gallery gives a glimpse of the damage caused by the storm and the conditions faced by the linemen as they worked to restore power. Berkeley Electric would like to once again thank all of its members for their patience and understanding during this trying time.

Together we are #coopstrong!





# After the storm

Now that we have had a chance to recover from the effects of Hurricane Matthew, I thought I would take this chance to discuss some the situations that arose both during and after the storm.



Tim Mobley, V.P.  
Engineering & Operations

As the Vice President of Engineering and Operations, one of my primary responsibilities when a hurricane approaches is to make sure that Berkeley Electric is prepared to weather the storm. This includes the review and implementation of our Major Storm Plan as well as ensuring that the Cooperative has enough materials and personnel on hand to recover as quickly and as safely as possible after the storm has passed.

Another responsibility is to safeguard the system from major damage. This includes taking preemptive actions such as de-energizing substations in high-risk locations.

## Seabrook and Kiawah

As Matthew approached our coast we kept a constant eye on the projected impacts from the hurricane, especially in regards to the storm surge. When the projections finally stabilized, it was clear that Kiawah and Seabrook islands would see a significant impact and the decision was made to de-energize the substations serving these areas. Even though these barrier islands were largely depopulated due to the mandatory evacuation, we still did not make this decision lightly.

The likelihood of being able to keep these substations in operation throughout the duration of the storm was minimal. In fact, both of these substations lost transmission shortly after the decision was made to de-energize them. However, by taking the substations offline ourselves, we were able to prevent severe damage to the equipment when they were flooded by the storm surge. This, in turn, made the process of cleaning them and bringing them back online much faster once crews were able to reach them after the hurricane.

## The mysterious list

One of the comments that many members made during the course of the outage is that they must have been at the bottom of "the list" for restoration. I would like to assure our members that there is no "list" that ranks members in terms of importance when it comes to restoring outages.

The primary goal during any widespread outage

is to safely restore the largest number of members in the shortest amount of time. Crews accomplish this by addressing problems in a specific order - starting with the substation circuits. If crews are able to close in a circuit, they are able to potential restore power to thousands of homes at one time.

After the substation circuits, crews will fix damage done to the main three-phase lines by clearing trees and branches, repairing and replacing poles and re-stringing damaged wire. By resolving issues on the main lines, hundreds of homes can have power quickly restored. Then crews move out to the single phase lines and finally on to the individual services at our member's homes.

This order of restoration is one of the main reasons you may see a crew leave your area before all members have their power restored. Although this is frustrating, if crews focused on resolving every single issue before leaving an area the restoration process would slow to a crawl.

## Why did my neighbors have power before me?

The service to your home or business may be fed from a different electric circuit than your neighbors. Think of this in the same way your circuit breakers feed electricity to the various rooms in your home or business. When a breaker trips inside your home or business, one room has lights while another room does not. The same concept is true for the electric power lines that provide electricity to each neighborhood we serve. There may also be a problem with your individual service drop, such as a limb on the line feeding your house, that does not affect your neighbor's home.

## Why did my power come back on and then go back off a few minutes later?

Sometimes after a power line is repaired, other events such as falling tree limbs can cause the service to go back out again. This is especially true during wind and ice storms since tree limbs are broken and/or weakened during the storm but remain in the tree. It may also be necessary for us to turn off your power to safely repair other problems in the area.

I hope that this has answered some of the questions that you may have had in the wake of Hurricane Matthew. We realize that power is vital to the lives of our members and we take every possible step to provide the safe, reliable energy that our members have come to expect. Thank you for your patience and understanding and we look forward to continuing to serve you in both good weather and bad.

# Co-op restructures fixed rates after 30 years

As of January 1, 2017, Berkeley Electric Cooperative will be restructuring its rates by unbundling the energy charge on its members' bills. This restructuring will only affect residential and small commercial accounts.

The restructuring is primarily centered on what is currently known as the "Facilities Charge." This charge covers the fixed costs of providing service to our members for items like poles, wires, transformers, meter testing, substations, buildings and maintenance, insurance and much more. This charge is also currently "bundled" in with the energy charge and is not listed separately on your monthly energy bill.

As of January 1st, residential members will see a "Service Availability Charge" of \$0.99 per day listed on their power bill. Small commercial members will see a daily charge of \$1.18. Small commercial accounts are those which have transformers rated up to 100 kVa.

This rate restructuring is intended to be revenue neutral. It is not a rate hike. The majority of our members will see no change in the cost of their electric bill, or possibly even a lower bill.

This is due to the second part of the rate restructuring which eliminates tiered rates based on a member's kilowatt-hour (kWh) usage. It also lowers the base rate for kWh usage. There will now be one rate for all residential and small commercial members. This new rate system will, however, still include summer and winter rates.

## WHAT IS A SERVICE AVAILABILITY CHARGE?

Berkeley Electric's rates are basically made up of fixed costs and variable costs. The variable costs are influenced by the cost of the power we purchase to serve our members. These costs can change frequently.

The fixed cost, or the "service availability charge," covers all of the costs associated with providing and maintaining an electrical distribution system capable of providing power on a 24/7 basis. This includes items like poles, wires, transformers, substations, meter testing, buildings and maintenance, insurance and much more.

Berkeley Electric has not changed its fixed costs in over 30 years.

## WHY IS THIS CHANGING?

The Cooperative tries to design its rates in a way that everyone pays their fair share of the cost of providing service to their meter. Traditionally, electric utilities have recovered the majority of their operating (fixed) costs in their variable kilowatt charges, or tiered rates.

Based on a recent Cost of Service study, the Cooperative has found that this process does not address fixed costs in a fair and equal manner among our members. This is due to changes in the industry over the last 30 years, such as

increases in energy efficiency and the growth of distributed generation.

## WHAT IS A COST OF SERVICE STUDY?

Berkeley Electric conducts a "Cost of Service" study every 5-6 years to determine the accuracy of its rates. This study provides the Board of Trustees the necessary information to set "cost-based" rates to fairly reflect the cost to serve each rate class and was completed this October.

Berkeley Electric Cooperative is a not-for-profit electric utility. Therefore, the new rate system is set up to require each member to pay their fair share of the co-op's operating costs...no more, no less.

## WHY HAVEN'T YOU CHARGED THIS BEFORE?

Although this may appear to be a "new" charge on your electric bill, members have always been charged a Service Availability fee that has been included as part of the monthly Energy Charge. Since the Cooperative is having to change how it recovers its fixed costs, we are now unbundling the Energy Charge to make it easier to show members how their monthly bill is calculated.

## WHAT ARE THE RATES NOW?

Previously, Berkeley Electric billed its members \$15 per month for the Service Availability Charge. This charge was bundled in as part of the total Energy Charge. Although this \$15 did not cover all of the fixed costs for serving its members, the Cooperative was able to recover the extra costs through its tiered rate system.

The new Service Availability Charge of \$0.99 per day (\$1.18 small commercial) reflects the true cost of having service maintained and available at all times regardless of whether a member uses zero kilowatt-hours per month or over 2,000 kWh.

Please keep in mind, this is not the cost to just serve your individual location. This is the cost of having an entire electrical distribution system available to provide power to your individual location around the clock.

The second part of this restructuring process is eliminating almost the entire tiered rate system. Now all residential and small commercial members will be charged the same rate across the board. There will still be a winter rate and a summer rate due to differences in wholesale power costs.

The new winter base rate for residential members will be lowered from \$0.14235 per kWh to \$0.1183 per kWh. This will help ensure that the restructuring is revenue neutral. This decrease in the base kWh rate will also mean that the majority of members will either see little to no change in their monthly bill or a slight decrease.

# How it affects you

Although this rate restructuring is not a rate hike and is overall designed to be revenue neutral it will still have an impact on our members' monthly electric bills. The degree of impact will be related directly to the amount of power that a service location uses on a monthly basis.

## LOW USAGE MEMBERS

Members who have service locations with monthly usage of 0-600 kWh will see the largest impact from this restructuring. Service locations with zero monthly electricity usage could effectively see the bill double from the \$15 a month increase. As monthly usage increases toward 600 kWh, members will see less impact from the increase. Please refer to the table for an breakdown of example charges.

Some examples of the types of service locations that fit in this category include well pumps, detached garages, hunt clubs and vacation homes.

The Cooperative will be glad to assist members with determining the feasibility of combining multiple services into one service location to avoid any possible increases to their bill.

## AVERAGE USAGE MEMBERS

The average Berkeley Electric Cooperative residential member uses between 800-1,500 kWh per month. These members will actually see a decrease in their monthly bill due to the decrease in the base kilowatt rate - which is part of the restructuring process. Members could potentially see monthly decreases in the \$1-\$6 range.

## HIGH USAGE MEMBERS

Cooperative members using over 2,000 kWh per month will see the largest decreases in their bill starting at around \$10 per month. Members using 4,000 kWh or more will save an average of around \$20 per month.

## AT • A • GLANCE

- Rate restructuring effective January 1, 2017
- Unbundling Service Availability charge from Energy Charge
- Service Availability Charge will be \$0.99 per day (residential)
- Changes will be revenue neutral. No rate hike.
- Restructuring effects Residential and Small Commercial only
- Fixed Costs have not increased in 30 years
- All residential/small commercial accts now pay same rate
- Base kilowatt rate lowered from \$0.14235 to \$0.1183
- Bills will increase for low usage members
- Refer to billing examples in table (right) for sample costs

## 100 kWh @ CURRENT All-Electric Rate (Residential)

Service Availability Charge	=	\$15.00
100 kWh x \$0.14235	=	\$14.24
Fuel Cost Adj. 100 x \$.014	=	<u>-\$1.40</u>
Monthly Bill	=	\$27.84

### >>NEW 2017 Residential Rate (Winter)

Service Availability Charge	=	\$29.70 (\$0.99 per day)
100 kWh x \$0.1183	=	\$11.83
Fuel Cost Adj. -\$0.015x100	=	<u>-\$1.50</u>
<b>Monthly Bill</b>	=	<b>\$40.03</b>

## 1000 kWh @ CURRENT All-Electric Rate (Residential)

Service Availability Charge	=	\$15.00
1st 300 kWh x \$0.14235	=	\$42.71
Next 700 kWh x \$0.13435	=	\$94.05
Fuel Cost Adj. 1000 x \$.014	=	<u>-\$14.00</u>
Monthly Bill	=	\$137.75

### >>NEW 2017 Residential Rate (Winter)

Service Availability Charge	=	\$29.70 (\$0.99 per day)
1000 kWh x \$0.1183	=	\$118.30
Fuel Cost Adj. -\$0.015 x 1000	=	<u>-\$15.00</u>
<b>Monthly Bill</b>	=	<b>\$133.00</b>

## 2000 kWh @ CURRENT All-Electric Rate (Residential)

Service Availability Charge	=	\$15.00
1st 300 kWh x \$0.14235	=	\$42.71
Next 700 kWh x \$0.13435	=	\$94.05
Next 1000 kWh x \$0.12235	=	\$122.35
Fuel Cost Adj. 2000 x \$.014	=	<u>-\$28.00</u>
Monthly Bill	=	\$246.11

### >>NEW 2017 Residential Rate (Winter)

Service Availability Charge	=	\$29.70 (\$0.99 per day)
2000 kWh x \$0.1183	=	\$236.60
Fuel Cost Adj. -\$0.015 x 2000	=	<u>-\$30.00</u>
<b>Monthly Bill</b>	=	<b>\$236.30</b>

# Berkeley Electric presents Holiday Lights Driving Tour

CELEBRATE THE SEASON'S Holiday Lights Driving Tour will return in 2016, featuring dozens of spectacular, animated light displays along a picturesque route that winds through Santee Cooper's headquarters and Old Santee Canal Park in Moncks Corner.

Young and old can pile in the car and enjoy unlimited loops per nightly admission through the lights! It all begins Nov. 26, the day after Thanksgiving and continues through Dec. 30. Please use the entrance at 1 Riverwood Drive. A special treat at the park is the Holiday Fairs on the Weekends, Nov. 26 and 27; Dec. 3 and 4; Dec. 10 and 11; and Dec. 17 and 18. Santa will be there on weekends for the children and there will be performances by school choruses, marshmallow roasting, food and so much fun.

Celebrate The Season is presented by Berkeley Electric Cooperative and co-sponsored with Berkeley County government, Goodwill Industries International, Home Telecom and Santee Cooper. Thanks to the community's continued support, and the support of nearly 50 local businesses and organizations, Celebrate The Season has donated more than \$562,000 to local charities since 2011. These charities include Bright Ideas, Berkeley Electric's program to reward innovative teachers, and Relay for Life.

The month-long event is powered with 100 percent Green Power from Santee Cooper and exclusively uses energy-efficient LED bulbs. For more information go to [www.celebratetheseason.oldsanteecanalpark.org](http://www.celebratetheseason.oldsanteecanalpark.org)



All photos provided by Jim Huff/Santee Cooper

## Celebrate the Season

**WHEN:** Open Nov. 26 through Dec. 30, seven days a week, 6-9:30 p.m. Holiday Festival is weekends only. Closed Dec. 24-25.

**WHERE:** Celebrate The Season begins at Santee Cooper's main entrance on Rembert Dennis Boulevard/U.S. Highway 52 Bypass. Route travels through Santee Cooper's headquarters and Old Santee Canal Park.

**HOW MUCH:** \$5 per vehicle. Gate proceeds benefit charities serving Berkeley County.



You don't have to wait until Nov. 26 for the fun! Celebrate The Season presents the 4th annual Tinsel Trot Holiday Fun Run/Walk at Old Santee Canal Park on Saturday, Nov. 19, from 5:30 to 8 p.m. The 2-mile course offers a "sneaker preview" of Celebrate The Season Holiday Lights Driving Tour. To learn more and how to register, go to [www.celebratetheseason.oldsanteecanalpark.org/tinseltrot](http://www.celebratetheseason.oldsanteecanalpark.org/tinseltrot)

## Share in the joy—volunteer!

Celebrate The Season is a place where anyone can share in the joys of the holiday. It's also a way to give back to the agencies that support our communities year-round. Volunteers are the soul of Celebrate The Season, and opportunities abound for you or your organization to help bring joy to your neighbors. Call Susan Welch at 843-761-8000, ext. 5314, or Troy Diel at 843-899-5200.

