

**NOTICE TO THE PUBLIC OF RAPPAHANNOCK ELECTRIC COOPERATIVE'S APPLICATION FOR A
STREAMLINED INCREASE IN RATES
CASE NO. PUR-2024-00132**

On August 30, 2024, Rappahannock Electric Cooperative ("REC" or "Cooperative") expects to file with the State Corporation Commission ("Commission") an application requesting approval of a proposed increase in rates and charges for bills issued on and after October 1, 2024 ("Application"). The Cooperative is filing the Application pursuant to §§ 56-231.33, 56-231.34, 56-235, 56-236, and 56-585.3 of the Code of Virginia and under 20 VAC 5-200-21(C) of the Commission's Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction ("Streamlined Rate Case Rules").

REC has experienced increases in its cost of service due to inflation and higher interest rates. Additionally, REC has continued to invest in its system and the requested revenue increase will allow it to recover the investments that it has already made and related operations and maintenance expenses. Further, the increase in revenues will permit the Cooperative to continue to meet its financial obligations and to continue investing in the reliability of the electric grid. Specifically, the proposed rates are designed to increase the Cooperative's revenues by approximately \$19.0 million per year, an overall increase of total revenues for the Cooperative of 4.00%. Impacts on individual member bills may vary based on usage. Based on pro-forma year results, the proposed rates will produce a TIER (Times Interest Earned Ratio) of 2.03.

The Cooperative proposes the following changes to the revenue produced by each of its rate schedules:

Class (Rate Schedule)	Revenue	Revenue
	Increase/Decrease	Increase/Decrease
	Amount (in \$000s)	%
Schedule A-1 Residential and Church Service	\$ 14,611	4.75%
Schedule A-2 Farm, Civic and Ancillary Resid.	\$ 1,433	6.48%
Schedule A-1 Prepaid Electric Service	\$ 153	4.63%
Schedule A-1 -T OU Time of Use	\$ 19	16.83%
Schedule B-1 Small General Service <25 kW	\$ 509	4.36%
Schedule B-3 Small General Service > 25kW	\$ 671	2.72%
Schedule LP-I -Large Power Service	\$ 1,263	1.75%
Schedule HD-I Large Power High Diversity Service	\$ 74	2.70%
Schedule LP-3 Large Power Subst Direct Service	\$ 145	0.65%
Schedule OL Outdoor Lighting	\$ 115	4.05%
Total	\$ 18,993	4.00%
*4.75% is the class percentage increase based on 2023 revenues-An individual member's increase will vary based on electricity usage and current power costs.		

Under the proposed new rates, an average residential member using 1,187 kWh per month will see an increase of approximately \$8.31 per month, which would be a 4.8% increase to the member's monthly bill based on the current Power Cost Adjustment rate. The proposed rates in the Cooperative's Application will include a \$1.80 increase in the residential member's Access Charge.

The Application does not propose any wholesale power cost riders be rolled-in to base rates. Additionally, the Cooperative is not proposing revisions to its rate structure as part of the Application. At the same time that the Cooperative intends to implement the proposed rates in its Application, it also intends to implement a change in the Power Cost Adjustment, under which an average residential member using 1,187 kWh per month will see a decrease of approximately \$1.79 per month, which would be a 1.0% decrease to the member's monthly bill after the new rates, for a net increase of \$6.52, or 3.8%.

The Cooperative intends to file the Application with the Commission on August 30, 2024. Any person subject to the change or changes proposed by REC has the right to request a hearing within 30 days of the Application's delivery to the Commission, or by September 29, 2024. Requests for hearing should be directed to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. If the Commission receives objections from fewer than (i) 150 of the Cooperative's members; (ii) one-quarter of the members within a rate class that is the subject of a revision or increase; or (iii) all of the members within a rate class that is the subject of a revision or increase if the rate class contains 20 or fewer members, REC may petition the Commission to make rates permanent without hearing within 30 days after the Application is filed with the Commission. Specifically, REC intends to request in its Application that if the Commission does not suspend the proposed rates as provided in the Streamlined Rate Case Rules, REC be permitted to implement the proposed rates on a permanent basis without a hearing effective for bills issued on and after October 1, 2024. The Commission may convene a hearing to consider the Cooperative's Application, and if a hearing is held, the Commission may order rate relief, redesign rates or adopt tariff revisions which differ from those appearing in REC's Application.

Interested persons are encouraged to review the Application and supporting documents once it is filed for the details of these and other proposals and may download unofficial copies from the Commission's website: <https://www.scc.virginia.gov/pages/Case-Information>. Copies of the Cooperative's Application also may be inspected during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Cooperative: Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, tbiller@hunton.com.