

# **Prepare For An Increased Electric Bill This Summer**

Energy prices across the country are on the rise due to a combination of factors. These include increased commodity prices and higher than normal natural gas prices. Natural gas is used to generate a large majority of the energy in the Midwest. EMU (Eldridge Municipal Utilities) wholesale cost has increased due to natural gas prices.

MISO (Midcontinent Independent System Operator) has indicated that there will be a capacity shortfall this year. This is due to the increased transition to renewables such as wind and solar and the retirement of coal generation. The shortfall means an additional increase in EMU's wholesale cost.

In 2020 EMU added a PCA (Power Cost Adjustment) to their electric rates. The PCA reflects fluctuating costs to purchase and generate electricity. An increase or decrease in the PCA is dependent on market conditions. The PCA is included on your monthly statement and may be a credit or a charge depending on market conditions.

Over the past twelve months, EMU was able to credit its customers through the PCA. This was all possible due to lower-than-expected energy costs in 2021.

While our community often benefits from a low cost of living, energy prices are rising nationwide. The increase in commodity prices and higher than normal energy prices will affect the PCA. Eldridge customers should expect to see an increase in the PCA over the next several months. The PCA is designed to cover the increasing or decreasing cost to purchase and generate electricity. EMU does not profit from the PCA in any way. Rest assured that EMU is committed to keeping electric rates as low as possible.

Moving Forward Eldridge Municipal Utilities will continue to monitor costs and work to ensure we will be financially solvent for years to come. We believe we can continue to provide excellent service at a reasonable cost for our community now and into the future.