



# Otsego Electric Cooperative, Inc.

P.O. Box 128  
 Hartwick, NY 13348-0128  
 Telephone: (607) 293-6622  
 Fax: (607) 293-6624

## OTSEGO ELECTRIC COOPERATIVE, INC. RATE INCREASE

Rate Hearing Date: February 23, 2026, 5:00PM

3192 County Highway 11, Hartwick, NY 13348

Rate Increase Effective Date: April 2026 Bills (April 9, 2026)

### 1) Otsego Electric Proposed Rate Changes:

Otsego Electric Cooperative, Inc. Policy #301 - Member Rates\*

RATE SCHEDULE	DESCRIPTION	CURRENT MEMBER RATES				PROPOSED MEMBER RATES			
		MEMBER CHARGE	CHARGE/ KWH	DEMAND CHARGE	SERVICE CHARGE	MEMBER CHARGE	CHARGE/ KWH	DEMAND CHARGE	SERVICE CHARGE
Schedule 1	General Service - Residential	\$ 32.66	\$ 0.091280	\$ -	\$ -	\$ 32.66	\$ 0.093555	\$ -	\$ -
Schedule 2	General Service - Single Phase > 25KVA	\$ 36.44	\$ 0.073000	\$ 8.11	\$ -	\$ 36.44	\$ 0.075275	\$ 8.11	\$ -
Schedule 3	General Service - Three-Phase or Multi-Phase	\$ 36.44	\$ 0.083000	\$ 8.11	\$ -	\$ 36.44	\$ 0.085275	\$ 8.11	\$ -
Schedule 4	Area Lighting	\$ -	\$ -	\$ -	\$ 10.00	\$ -	\$ -	\$ -	\$ 10.00
Schedule 5	Small Commercial - Single Phase < 25KVA	\$ 36.44	\$ 0.087920	\$ -	\$ -	\$ 36.44	\$ 0.090195	\$ -	\$ -
Schedule 11	General Service - Campgrounds	\$ 150.00	\$ 0.083000	\$ 8.11	\$ -	\$ 150.00	\$ 0.083000	\$ 8.11	\$ -
Time of Use	TOU Rate A - Summer (May - September)	\$ 48.85	\$ 0.034000	\$ -	\$ -	\$ 48.85	\$ 0.036275	\$ -	\$ -
Time of Use	TOU Rate B - Summer (May - September)	\$ 48.85	\$ 0.064000	\$ -	\$ -	\$ 48.85	\$ 0.066275	\$ -	\$ -
Time of Use	TOU Rate C - Summer (May - September)	\$ 48.85	\$ 0.094000	\$ -	\$ -	\$ 48.85	\$ 0.096275	\$ -	\$ -
Time of Use	TOU Rate D - Summer (May - September)	\$ 48.85	\$ 0.094000	\$ -	\$ -	\$ 48.85	\$ 0.096275	\$ -	\$ -
Time of Use	TOU Rate A - Winter (October - April)	\$ 48.85	\$ 0.034000	\$ -	\$ -	\$ 48.85	\$ 0.036275	\$ -	\$ -
Time of Use	TOU Rate B - Winter (October - April)	\$ 48.85	\$ 0.094000	\$ -	\$ -	\$ 48.85	\$ 0.096275	\$ -	\$ -
Time of Use	TOU Rate C - Winter (October - April)	\$ 48.85	\$ 0.034000	\$ -	\$ -	\$ 48.85	\$ 0.036275	\$ -	\$ -
Time of Use	TOU Rate D - Winter (October - April)	\$ 48.85	\$ 0.094000	\$ -	\$ -	\$ 48.85	\$ 0.096275	\$ -	\$ -
NYPAA EE	NYPAA Energy Efficiency Adder	\$ -	\$ 0.001000	\$ -	\$ -	\$ -	\$ 0.001000	\$ -	\$ -

\*All rate schedules are subject to the provisions included in Otsego Electric Cooperative, Inc.'s Policy #301 - Member Rates

- The total proposed rate increase is expected to increase annual electric usage revenue by \$120,000 or approximately 1.6%.
- The proposed rate increase will increase the kWh charge by \$0.002275 cents per kWh consumed on all affected rate schedules.
- The average residential electric service using 793 kWh's per month will see an increase of approximately 1.7% on their monthly bill, or an estimated increase of \$1.80 per month (\$21.60 per year).
- The average small commercial electric service using 914 kWh's per month will see an increase of approximately 1.8% on their monthly bill, or an estimated increase of \$2.08 per month (\$24.95/year)

### 2) Reasons for the proposed rate changes:

- Rising labor and benefit costs; necessary for employee retention.
  - First-Class Lineman: +15% 2025
    - OEC has lost 4 First-Class Lineman to neighboring utilities since 2019.
  - Health Insurance: +27% since 2020
    - OEC Changed Health Insurance Carriers in 2025 to help reduce costs.



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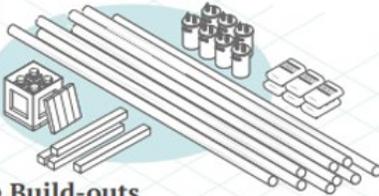
- Rising infrastructure and fleet costs; necessary for system integrity and resiliency.
  - 40/3 Pole: 2020 \$360.00; 2025 \$595.00 +\$65% (Est. Annual Impact \$28,000/year)
    - Peaked at \$785.00 in 2024 +118% (Est. Annual Impact \$51,000/year)
  - 1/0 Wire: 2020 \$0.24/ft; 2025 \$0.42/ft +75% (Est. Annual Impact \$11,000/year)
  - Fleet:
    - Large Bucket: \$310k (2012 \$167k)
    - Service Bucket: \$180k (2015 \$121k)
  - OEC has applied for and has been awarded grant funding to help defray the cost of critical system upgrades. \$4.08MM
    - Pole Inspections, Metering, Right-of-Way, SCADA
    - Funding has been held up/delayed at US Department of Energy

## Cost Increases

The past five years have been a period of exploding costs for the electric utility industry and for broadband providers, pushed by soaring demand, supply chain challenges, raw materials shortages, increased labor costs and tariffs. The impact has been rapid increases in the cost of producing power, longer and more unpredictable project timelines and the need for more financing, all of which have driven electric rates up for residences, businesses and other end-users. Here's a look at what's contributing to the trend. **Percent increase since 2020:**

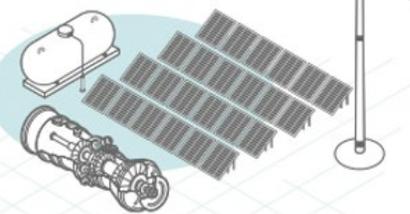
### Infrastructure

Utility poles (wood, steel, composite)	+25-40%
Crossarms & braces (steel/wood)	+20-35%
Conductor wire (aluminum/copper)	+30-50%
Transformers	+70-100%
Grain-oriented electrical steel	+80-100%
Oil/dielectric fluids	+25-40%
Copper wiring	+50%
Concrete	+25-35%
Smart meters	+20-35%
Pad-mounted switchgear	+25-40%
Circuit breakers/reclosers	+20-35%



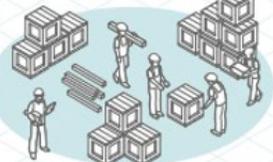
### Generation

Diesel gensets	+20-40%
Gas turbines	+20-30%
Solar PV systems	+25-35%
Wind turbines	+25-35%
Hydropower components	+20-30%
Battery storage	+25-40%
SCADA/EMS systems	+20-30%
Inverters	+20-30%
Relays & switchgear	+25-40%
Natural Gas	+20-120%
Coal	+30-60%
Diesel/fuel oil	+40-70%



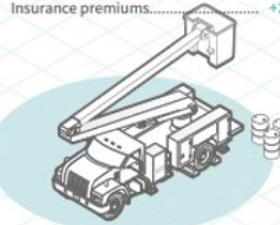
### Build-outs

Utility construction labor	+20-40%
Freight/logistics	+30-60%



### Fleets

Light trucks	+25-40%
Bucket trucks, digger derricks	+20-50%
Fuel costs (especially diesel)	+20-30%
Maintenance	+15-25%
Insurance premiums	+20%



### Broadband

Fiber-optic cable	+25-40%
Splicing & telecom gear	+20-30%



Sources: BLS; energynews.com; Reuters; Wood Mackenzie; NREL; IEA



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### 3) NYPA Rate Increase:

- In 2020 OEC renegotiated its preference power contract for wholesale hydro power from the Niagara Project Power and Energy with the New York Power Authority (NYPA) until September 1, 2040.
- OEC’s hydro power contracts have historically covered approximately 82% of its total power requirements annually and has saved its members an estimated \$1.2 million annually compared to open market rates.
  - Residential Members save an estimated \$19 per month from this power contract.
- OEC favorably renegotiated the rates in the power contracts in conjunction with NYPA, New York Association of Public Power (NYAPP), and Municipal Electric Utilities Associate of New York State (MEUA) which were approved by NYPA’s board of trustees on December 9, 2025.
  - Preference Power Customers will save an estimated \$321 million over the next six (6) years due to these negotiations.

PREFERENCE POWER RATES – COST PER MWh (kWh)						
2025	2026	2027	2028	2029	2030	2031
\$12.88 (\$0.01288)	\$14.57 (\$0.01457)	\$16.25 (\$0.01625)	\$17.94 (\$0.01794)	\$19.63 (\$0.01963)	\$21.32 (\$0.02132)	\$23.00 (\$0.02300)

- The cost per kWh will increase from \$1.288 cents per kilowatt hour (kWh) sold in 2025 to \$2.3 cents per kWh purchased in 2031.
  - Median Open Market Cost of Power per kWh - 2021-2025: \$3.85 cents per kWh.
- OEC estimates this rate increase will impact the average residential member by \$1.25 per month, per year.

### 4) Local Resources:

- Otsego Electric Cooperative, Inc. (607) 293-6622
- Otsego County Department of Social Services (607) 547-1700
- Chenango County Department of Social Services: (607) 337-1500
- Madison County Department of Social Services: (315) 366-2211
- Herkimer County Department of Social Services: (315) 867-1220
- Salvation Army (Oneonta): (607) 432-5960
- Opportunities for Otsego: (607) 433-8000
- Catholic Charities: (607) 432-0061
- Office for the Aging: (607) 547-4232