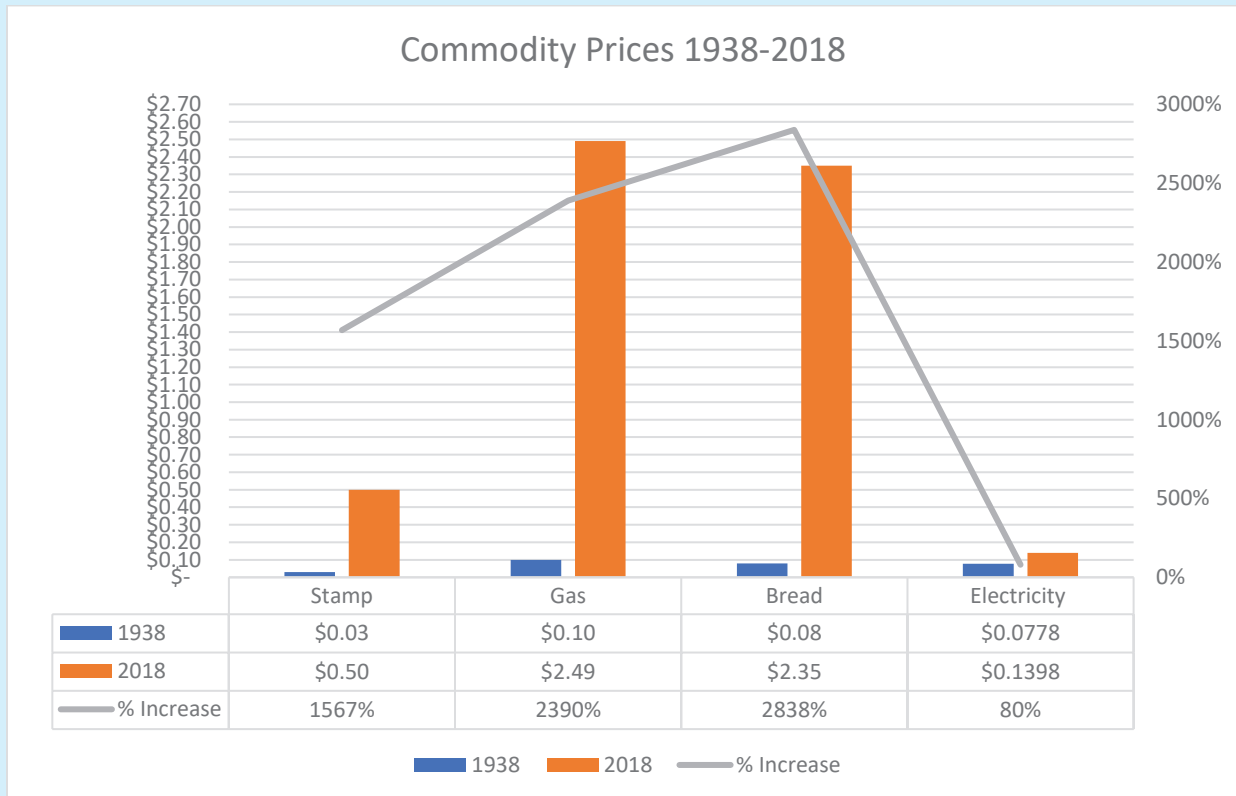


Notice of Proposed Rate Increase and Changes to the Rules and Regulations

The Board of Trustees of Nemaha-Marshall Electric Cooperative, Inc. will meet on Wednesday, August 28, 2019 at 7:00 PM to consider proposed rate changes and changes to the rules and regulations. This meeting will be held at the Nemaha-Marshall office located at 402 Prairie Street, Axtell, Kansas.

Action on these items may be taken at that time and become effective on September 1, 2019. This meeting is open to any member who wishes to attend. Members have the right to request review by the Kansas Corporation Commission of any rate change approved by the Cooperative as provided by K.S.A. 66-104d(g).

Any members with questions please contact the cooperative at (785)736-2345.



The Nemaha-Marshall management team has completed a 10-year financial forecast. Based on the amount of additional revenue that is needed to meet the financial requirements of our lenders, the Board has determined the need for a rate increase. It was determined that our current rate structure is not covering our fixed costs. Some of these fixed costs include the price of connecting to the electrical system, metering, billing, service maintenance, customer service and other costs associated with providing power to the member. These fixed costs remain relatively stable regardless of the number of kilowatt-hours used by the membership.

The availability charge should be representative of the fixed costs incurred by Nemaha-Marshall Electric on a monthly basis, and is listed as a separate line item on the billing statement. The proposed availability charge increase is necessary for Nemaha-Marshall Electric to achieve rate equity among ratepayers. If one member uses only one kilowatt-hour of electricity and another member uses 100 kWh, Nemaha-Marshall Electric still incurs the same cost to build the line, maintain the distribution system and deliver electricity to both customers. It takes just as much equipment to deliver one kilowatt-hour as it does 100 kilowatt-hours of energy, thus necessitating the need to adjust the availability charge to better reflect those fixed costs. A portion of the increase in availability charge will be offset by a decrease in the kilowatt-hour charge. As part of the increases in rates, the cooperative will reset the Power Cost Adjustment (PCA) charge into the base rates paid by the members. The proposed rate changes will result in an over-all 10.64% increase over expected annual revenue. These changes are necessary to help maintain the financial health of your cooperative.

Rate decisions are always difficult. We practice great discipline when managing the costs that are within our control. Failing to take this action would reduce our ability to keep the cooperative operating safely, efficiently and reliably. Nemaha-Marshall must continue to meet the needs of our current members and those who will rely on our services in the future.

	Current	Proposed
PCA Factor	\$0.006	\$0.000

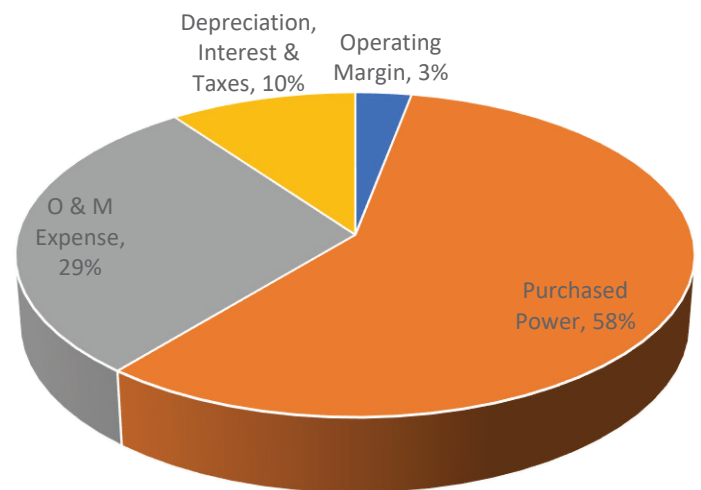
General Service Single Phase		
1.5 kVa-7.5 kVa	\$ 12.50	\$ 30.00
10 kVa-15 kVa	\$ 15.00	\$ 32.50
25 kVa-50 kVa	\$ 17.50	\$ 35.00
75 kVa and above	\$ 20.00	\$ 37.50
Energy Charge, per kWh	\$0.118	\$0.115

General Service Multi-Phase		
1.5 kVa-7.5 kVa	\$ 20.00	\$ 40.00
10 kVa-15 kVa	\$ 22.50	\$ 45.00
25 kVa-50 kVa	\$ 25.00	\$ 50.00
75 kVa and above	\$ 27.50	\$ 55.00
Energy Charge, per kWh	\$0.118	\$0.115

Large Power		
Energy Charge, per kWh	\$0.0738	\$0.0820

Meter Reading Fee	\$10	\$100
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How Every Dollar Collected is Spent



Potential Impact to Member

	Single Phase		Multi-Phase	
	Current	Proposed	Current	Proposed
Availability Charge	\$ 12.50	\$ 30.00	\$ 20.00	\$ 40.00
kWh Charge	\$ 0.118	\$ 0.115	\$ 0.118	\$ 0.115
PCA	\$ 0.006	\$ -	\$ 0.006	\$ -
Usage				
500	\$ 74.50	\$ 87.50	\$ 82.00	\$ 97.50
1,000	\$ 136.50	\$ 145.00	\$ 144.00	\$ 155.00
1,500	\$ 198.50	\$ 202.50	\$ 206.00	\$ 212.50
2,000	\$ 260.50	\$ 260.00	\$ 268.00	\$ 270.00