



From the Manager's Desk

BILL CONINE, CEO/GENERAL MANAGER

Petit Jean Electric Cooperative Corporation proposes rate changes

Petit Jean Electric Cooperative Corporation is your local member-owned electric energy provider. The Cooperative's purpose is not to make profits for shareholders but to provide you, the member-owners, with the most reliable electric service at the lowest cost possible. A rate adjustment is not a decision that your Board of Directors takes lightly. Because sales have been flat and the costs of doing business have risen, a comprehensive study and rate analysis was recently completed which indicated an average 5.7 percent rate increase is necessary. Petit Jean Electric has proposed rate changes to the Arkansas Public Service Commission. If approved, the new rates would become effective with October 2018 billing statements.

There are two primary cost components in providing electric service: Wholesale power costs and distribution costs. Wholesale power is the electricity that the Cooperative must purchase from our power generation supplier, which is then transmitted to Petit Jean Electric substations. Distribution

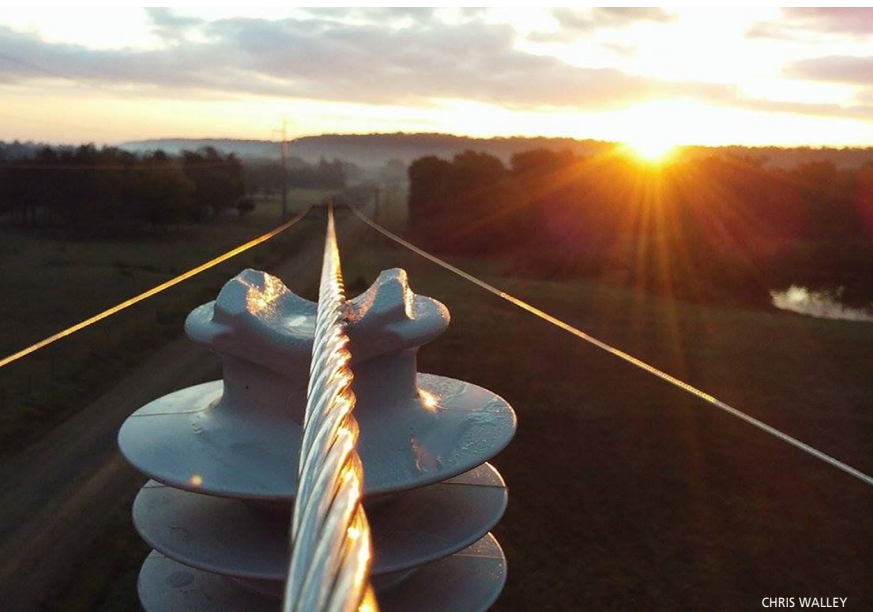
costs are the expenses incurred in delivering the electricity from the substations to you, the end-user.

Distribution costs include such things as the materials to build and replace lines, poles, wire and transformers. These costs also include maintenance items such as right-of-way tree trimming, substation equipment, storm restoration and operational upgrades associated with providing you dependable power. Distribution costs are somewhat fixed and must be paid whether or not we sell any kilowatt-hours. The proposed rate adjustment is required to compensate for these rising costs. Petit Jean Electric has not had a rate increase to offset distribution costs since 2012. Needless to say, most everything is more expensive now than it was over five years ago.

Since 1940, Petit Jean Electric has been providing power to members throughout nine counties in North Central Arkansas. We serve 19,949 accounts with 3,585 miles of line. We strive to provide reliable, affordable and responsible

power to our membership. Like most rural electric cooperatives, we have the disadvantage of a low account density contrasted with the many miles of line we serve. Even with this challenge, your cooperative has kept competitive rates at or below the Arkansas cooperative average and about 20 percent lower than the national average for electricity. This will still be the case even with the proposed rate change.

The principle on which Petit Jean Electric was founded – to serve our local communities with reliable power at the lowest possible costs – is just as strong today as it was when we opened our doors over 78 years ago. The Board of Directors and employees of Petit Jean Electric are committed to diligently serving our members. As members, you do more than trust us to provide the energy you need – you count on us.



CHRIS WALLEY

PETIT JEAN ELECTRIC COOPERATIVE CORPORATION NOTICE OF PROPOSED RATE CHANGES

Notice is hereby given that the board of directors of PETIT JEAN ELECTRIC COOPERATIVE CORPORATION has approved changes in the following rate schedules of this Cooperative as set forth below. The proposed rates are designed to increase overall system revenue from Arkansas consumers by 5.7%. The effect of the rate change on individual consumers will vary depending on the class of service and the amount of electricity used.

SUMMARY OF PROPOSED RATE CHANGES

Rate / Block	Existing Rate	Proposed Rate
Rate 1 Single Phase Service Under 50 kVA		
Availability Charge	\$14.50	\$16.50
Summer kWh	\$0.08743 /kWh	\$0.09189 /kWh
0-500 Winter kWh	\$0.07832 /kWh	\$0.08278 /kWh
Excess Winter kWh	\$0.06554 /kWh	\$0.07000 /kWh

Rate 2 Three Phase Service Under 50 kVA		
Availability Charge	\$25.90	\$32.70
Summer kWh	\$0.08743 /kWh	\$0.09189 /kWh
0-500 Winter kWh	\$0.07832 /kWh	\$0.08278 /kWh
Excess Winter kWh	\$0.06554 /kWh	\$0.07000 /kWh

Rate 3 Large Power Service		
Availability Charge	\$61.55	\$71.00
All Summer Billing Demand	\$11.55 /kW	\$12.48 /kW
All Winter Billing Demand	\$7.43 /kW	\$8.36 /kW
All kWh	\$0.03609 /kWh	\$0.03609 /kWh

Rate 4 Street Lights and Security Lights

Single unit installed on existing pole:

175 W MVL	\$7.33	\$8.31
400 W MVL	\$12.53	\$14.06
1,000 W MVL	\$26.39	\$29.38

Single unit with pole:

175 W MVL	\$8.33	\$9.42
400 W MVL	\$13.53	\$15.17
1,000 W MVL	\$27.39	\$30.51

15 or more units controlled by one electric eye:

175 W MVL	\$6.97	\$7.92
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The above proposed rate will become effective for bills rendered on or after September 30, 2018, unless, on or before such effective date, petitions from ten percent (10%) of the member-consumers have been received by the Arkansas Public Service Commission, 1000 Center Street, Little Rock, Arkansas, 72201, the mailing address of which is: P.O. Box 400, Little Rock, Arkansas, 72203-0400.



— Happy —
FOURTH
OF
JULY

★ ★ ★ ★ ★
INDEPENDENCE
DAY

The offices of Petit Jean Electric Cooperative will be closed Wednesday, July 4, in honor of Independence Day.

Happy 4th of July to all of our cooperative members!

my co-op

Board election results

Once again this year Petit Jean Electric would like to extend thanks to the membership for their participation in the Board of Directors election.

Of the 13,673 ballots mailed to the eligible membership, there were 1916 ballots received and counted. Mr. Donnie Collins, of Dennard, District 1, Position 1 was

elected to serve another 5 year term and Mr. Charles Wood, District 3, Position 2 was elected to serve another 5 year term. Thanks to the Ballot Counting Committee who met to count the ballots for this year's election: Peggy Eoff, Bill Haines, Lori Meazle, Mack Litaker, Glenn Griggs, and Dorothy Stevenson.