

117 6th Avenue, S.W. Childersburg, Alabama 35044-1696

September 25, 2024

Dear Valued Customer,

I hope this message finds you well. We are writing to inform you of upcoming increases in our natural gas, water, and sewer rates, effective November 1, 2024. These changes come after careful consideration and were recommended by our management team and approved by the Board following an in-depth cost of service analysis conducted by Jackson-Thornton Certified Public Accountants & Consultants.

The analysis revealed that rate increases are necessary to ensure we can continue to operate efficiently and maintain the high standard of service you expect. Several factors have contributed to this decision, including:

- High inflationary pressures impacting operational costs.
- Increasing federal and state regulations requiring additional resources to comply.
- The need for capital improvement projects to modernize and maintain our aging infrastructure.

We understand that the rising costs of goods and services have been a challenge for everyone over the past few years, and unfortunately, Childersburg Water, Sewer & Gas has also felt these pressures. In response, Jackson-Thornton recommended significant rate increases; however, to minimize the impact on our customers, the Board has decided to implement these adjustments in phases over a two-year period, with a review after each stage.

Here's what you can expect starting November 1, 2024:

- Natural Gas: A \$3.00 increase to the base customer charge and an increase of \$2.30/MCF in the volumetric charge.
- Water and Wastewater: A \$1.00 increase per thousand gallons for each service.

It is worth noting that gas and water rates have remained virtually unchanged since 2007. These adjustments are essential to continue delivering safe, reliable services while investing in infrastructure improvements needed for the future.

Thank you for being a valued customer. We value your understanding and appreciate your continued support as we make these necessary updates. Should you have any questions or concerns regarding these changes, please do not hesitate to contact our office at 256-378-6063.

Sincerely,

Richard T. Mizzell, GM

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