

Notice of Rate Adjustment

Effective June 1, 2026

Dear Ozarks Electric Member,

We know the cost of electric service matters. Electric bills affect real households, real budgets, and real decisions. That's why we want to explain what's changing, why it's happening now, and what we're doing to protect you from higher costs in the long run.

Beginning **June 1**, our overall electric rates in Arkansas will increase by **2.03 percent**. For a household with average residential usage, this would translate into an additional \$2.84 per month. This change is driven by a 5 percent rate increase from our wholesale power provider, Arkansas Electric Cooperative Corporation. A detailed breakdown of the new rates is included on the following page.

While we can't control the price of wholesale power from Arkansas Electric, we *are* responsible for how Ozarks manages costs, plans ahead, and keeps your service reliable.

We are actively working to limit the impact of rising costs by:

- Reducing expenses we can control by securing competitive pricing from suppliers and contractors, managing overhead and extending the useful life of equipment
- Improving system reliability to prevent outages and speed up response times with technology including grid automation, fiber optic connectivity and transmission upgrades
- Exploring innovations that could lower long-term operating costs, such as artificial intelligence, local partnerships and new rate options

For example, last year we changed our warehouse and inventory management vendor. That decision alone is projected to save approximately 2 percent on construction materials for the foreseeable future.

Ozarks is a not-for-profit, member-owned cooperative. We don't answer to shareholders. When revenues exceed expenses, those funds are returned to members as capital credits.

We also want to be transparent about the long term. While rising costs across the electric industry mean that future rate adjustments are likely over the next several years, our focus is on reducing how much rates need to change, not simply passing costs through to our members.

In the meantime, we encourage you to take advantage of tools that can help you manage your energy use today, such as energy efficiency programs, rebates, flexible billing options, and energy-use insights that show where your electricity is being used and where savings may be possible. You can learn more about these programs at ozarksecc.com, or call us at 1-800-521-6144.

We don't take your trust for granted. Our responsibility is not just to provide power, but to communicate clearly, plan responsibly, and make decisions with our members' best interests at the center.

Thank you for being a member of Ozarks.

Sincerely,

Mitchell Johnson



President/CEO